

Robert Yaquinto, Jr.  
State Bar No. 22115750  
SHERMAN & YAQUINTO, L.L.P.  
509 N. Montclair Avenue  
Dallas, TX 75208-5498  
214/942-5502 Fax: 214/946-7601  
ATTORNEY FOR DEBTOR

IN THE UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
AMARILLO DIVISION

IN RE:	§	
	§	
AMERICAN HOUSING FOUNDATION	§	CASE NO. 09-20373-RLJ-11
	§	
	§	
DEBTOR	§	

**EMERGENCY MOTION TO USE CASH COLLATERAL**  
**TO PAY INSURANCE PREMIUMS**

TO THE HONORABLE ROBERT L. JONES, U.S. BANKRUPTCY JUDGE:

American Housing Foundation (hereinafter “AHF”), Debtor and Debtor in Possession files this Emergency Motion to Use Cash Collateral to Pay Insurance Premiums (“the Motion”), and in support, respectfully shows the Court the following:

1. This case was filed as a voluntary Chapter 11 proceeding on June 11, 2009.
2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §157; 28 U.S.C. §1334; and 11 U.S.C. §363. This is a core proceeding.

**AICCO, INC.**

3. Aicco, Inc.(hereinafter “AIC”), is the property casualty insurance premium finance company that has provided premium financing for insurance coverage for the real property holdings that AHF manages, owns, or supports. Exhibits A, B, and C are

attached to the Motion. Exhibits A and B are Premium Notes. Exhibit C is a list of Payments Due.

4. The insurance premium payment for June, 2009 was not paid prior to the filing of this bankruptcy case. The June premium was due June 1. The full amount of the June premium payment due is \$113,513.31. AIC asserts a right to cancel the policy if payment is not received by June 22, 2009. The portion of the June premium payment which AHF contributes is \$88,920.69. The balance of the premium payment will be contributed directly by AIMCO properties in the amount of \$16,399.68; Sea Greens in the amount of \$5,212.03 and Amarillo Gardens in the amount of \$2,980.91. A premium payment will be due July 1, 2009 in the amount of \$108,107.91. Of that payment, AHF will be required to contribute \$83,515.69. AHF must make the premium payments to prevent lapse of the insurance coverage. Exhibit D is a list of all of the properties covered by the Master Insurance Policy.

5. The source of the funds to pay the AHF share of these premium payments is distribution payments that may be withdrawn from some of the properties. The right to take distributions is limited by the terms of financing for the specific property. Most properties allow annual distributions. Many of the properties are able to pay their pro rata share of the insurance premium. Some, including Brandywood, Ltd, are not. The shortfall is made up by AHF.

6. Property insurance is vital to preserve the assets of AHF and allow AHF to structure a plan. If these premiums payments are not made, coverage will lapse. Exhibit E, which is a copy of the Insurance Policy is attached to the Motion.

## **TEXAS CAPITAL BANK**

7. Texas Capital Bank (“TCB”) claims a perfected security interest in all rights of payment due AHF as of the date of the filing of the petition in bankruptcy. To the extent that TCB has a valid perfected security interest in all rights of payment, the funds to be used to pay the insurance premiums would be subject to this claim and would be TCB’s cash collateral.

8. Assuming TCB has a valid perfected security interest in the funds AHF needs to use, TCB is adequately protected for the use of these funds by its security interest in all rights to payment. Exhibit F is list of rights to payment belonging to AHF and is attached to the motion. Exhibit F includes \$24,000,000 in insurance benefits from the death of Steve Sterquell. If that is not sufficient, TCB is partially secured by a first lien on the apartment complex commonly known as Brandywood. The approximate amount of the promissory note to TCB which is secured by Brandywood is \$7.1 million. The value of Brandywood is equal to the amount owed on the note. A separate note in the amount of approximately \$2.5 million is cross collateralized with Brandywood. TCB claims both notes to be collateralized by all rights to payment owned by AHF including insurance proceeds, accounts receivable, deferred developer fees, and notes receivable. AHF conservatively estimates the value of these “rights to payment” to be in excess of \$10 million. Considering the total value of the Brandywood real estate; rights of payment and the life insurance proceeds, TCB is adequately protected.

9. AHF seeks an order allowing it to pay AIC insurance premium payments outstanding of \$88,920.69 for June, 2009 and \$83,515.69 to maintain property insurance on all of the properties described in the Exhibits attached to this Motion.

WHEREFORE, AHF prays that the Court enter an order granting it authorization to pay real property insurance expenses, determining that for purposes of this motion, Texas Capital Bank is adequately protected; and for such further relief as may be appropriate in the circumstances of the case.

Respectfully submitted,

/s/ Robert Yaquinto, Jr.  
**Robert Yaquinto, Jr.**  
State Bar No. 22115750  
SHERMAN & YAQUINTO, L.L.P.  
509 N. Montclair Avenue  
Dallas, TX 75208-5498  
214/942-5502 Fax: 214/946-7601  
ATTORNEY FOR DEBTOR

#### **CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the ***EMERGENCY MOTION TO USE CASH COLLATERAL TO PAY INSURANCE PREMIUMS*** was forwarded by electronic transmission to the United States Trustee, 1100 Commerce Street, Room 976, Dallas, TX 75242, and by electronic transmission to all parties receiving notice by the Court's electronic filing system, on this 19th day of June, 2009.

/s/ Robert Yaquinto, Jr.  
**Robert Yaquinto, Jr.**

**DUE TO THE SIZE OF THE EXHIBITS, COPIES OF THE EXHIBITS HAVE BEEN PROVIDED TO THE COURT, THE U.S. TRUSTEE and ANY PARTY RECEIVING FILINGS BY ECF. ANY PARTY WHO MAY WANT COPIES OF THE EXHIBIT MAY MAKE A REQUEST IN WRITING FROM: ROBERT YAQUINTO, JR., SHERMAN & YAQUINTO, L.L.P., 509 N. MONTCLAIR AVENUE, DALLAS, TEXAS 75208.**

## EXHIBIT A

**PREMIUM FINANCE AGREEMENT  
DISCLOSURE STATEMENT  
AND SECURITY AGREEMENT**

**AICCO, Inc.**

101 Hudson Street, Jersey City, NJ 07302 (201) 631-5400 or (877) 902-4242  
80 Pine Street, 6<sup>th</sup> Fl., New York, NY 10005 (212) 770-2900 or (877) 902-4242  
8144 Walnut Hill Ln., 13<sup>th</sup> Fl., Dallas, TX 75231 (214) 932-2013 or (877) 902-4242  
2929 Allen Parkway, Suite 1300, Houston, TX 77019 (713) 831-2006 or (877) 902-4242  
1200 Abernathy Road, NE, Suite 500, Bldg. 600, Atlanta, GA 30328 (770) 671-2219 or (877) 902-4242  
99 High Street, 30<sup>th</sup> Fl., Boston, MA 02110 (617) 457-2841 or (877) 902-4242  
300 South Riverside Plaza, Suite 2100, Chicago, IL 60606 (312) 559-1410 or (877) 902-4242

A	TOTAL PREMIUMS	\$	119,572.00	BORROWER / INSURED (The "Insured") (Name, Address and Telephone Number)  American Housing Foundation 2414 N Akard St Suite 550  Dallas TX 79102-2668 E-Mail Address (optional):	Acct. No.																					
B	CASH DOWN PAYMENT REQUIRED	\$	23,914.40																							
C	AMOUNT FINANCED (The Amount of Credit Provided to Insured or on its behalf)	\$	95,657.60																							
D	FINANCE CHARGE (Dollar amount credit will cost)	\$	2,740.48	ANNUAL PERCENTAGE RATE 7.46 % (Cost of Credit figured as a yearly rate)																						
E	TOTAL PAYMENTS (Amounts which will have been paid after making all scheduled payments)	\$	98,398.08	<table border="1"> <thead> <tr> <th colspan="6">PAYMENT SCHEDULE</th> </tr> <tr> <th rowspan="2">Amount of Each Payment</th> <th colspan="3">Number of Payments</th> <th rowspan="2">1<sup>st</sup> Payment Due</th> <th rowspan="2">Final Payment Due</th> </tr> <tr> <th>Annual</th> <th>Qtrly</th> <th>Mthly</th> </tr> </thead> <tbody> <tr> <td>16,399.68</td> <td></td> <td></td> <td>6</td> <td>02/01/2009</td> <td>07/01/2009</td> </tr> </tbody> </table>		PAYMENT SCHEDULE						Amount of Each Payment	Number of Payments			1 <sup>st</sup> Payment Due	Final Payment Due	Annual	Qtrly	Mthly	16,399.68			6	02/01/2009	07/01/2009
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**SEE PAGE 3 FOR SCHEDULE OF FINANCED POLICIES**

**AGREEMENT OF INSURED (JOINT AND SEVERAL, IF MORE THAN ONE)**

**THE UNDERSIGNED INSURED:**

- In consideration of the premium payments being financed, and if applicable, down payment being advanced by LENDER to the Insurance companies listed on the SCHEDULE OF FINANCED POLICIES, or their representative, promises to pay to the order of LENDER the TOTAL OF PAYMENTS to be made in accordance with the PAYMENT SCHEDULE and if applicable, the amount of any down payment advanced by LENDER subject to the provisions set forth in this Agreement.
- Irrevocably appoints LENDER Attorney-in-Fact with full authority, in the event of default, to (i) cancel the said policies in accordance with the provisions herein, (ii) receive all sums assigned to LENDER and (iii) execute and deliver on behalf of the undersigned all documents, forms and notices relating to the insurance policies listed on the SCHEDULE OF FINANCED POLICIES in furtherance of this Agreement.

**IMPORTANT NOTICE TO INSURED**

NOTICE: 1. Do not sign this Agreement before you read it or if it contains any blank spaces. 2. You are entitled to a complete filled-in-copy of this Agreement. 3. Keep your copy of this Agreement to protect your legal rights.

NOTICE: See Pages 2 and 3 Additional Important Information.

**THE INSURED AGREES TO THE PROVISIONS  
ABOVE AND ON PAGES 2 AND 3**

**AGENT OR BROKER  
BUSINESS ADDRESS** Denver Series of Lockton Companies LLC

Lockton Companies LLC  
8110 East Union Ave  
Suite 700  
Denver CO 80237

**TEL. NO./E-MAIL ADDRESS** 303-414-6000


The Undersigned Agent or Broker:

- Represents and warrants as follows: (a) to the best of the undersigned's knowledge and belief, the insured's signature is genuine or, to the extent permitted by applicable Law, the undersigned Agent or Broker has been authorized by the insured to sign this Agreement on their behalf, (b) the insured has received a copy of this Agreement, (c) the scheduled Policies are in full force and effect and the premiums indicated therefore are correct, (d) the insured may cancel all scheduled policies immediately upon request, (e) none of the Policies scheduled in the agreement are non-cancelable, and (f) the down payment as indicated in Box "B" and installments totaling \_\_\_\_\_ have been collected and are being retained by us.
- Upon cancellation of any of the scheduled Policies, the undersigned Agent or Broker agrees upon demand to pay to LENDER or its assigns their commission on any unearned premiums applicable to the cancelled Policies.

**THE AGENT OR BROKER AGREES TO THE  
PROVISIONS ABOVE AND ON PAGE 3**

1-22-09

DATE

  
SIGNATURE (AND TITLE) OF INSURED(S) OR AGENT OR  
BROKER ON THEIR BEHALF (to extent permitted by Law)

DATE

SIGNATURE AND TITLE OF AGENT OR BROKER

#### ADDITIONAL AGREEMENTS OF INSURED (JOINT AND SEVERAL, IF MORE THAN ONE)

3. **Cancellation.** After the occurrence of a default in the payment of any money due the LENDER or a default consisting of a transfer to a third party of any of the scheduled policies, LENDER may request cancellation of the insurance policies listed in the schedule upon expiration of 10 days written notice of intent to cancel (13 days in Iowa), provided said default is not cured within such period, and LENDER may proceed to collect the entire unpaid balance due hereunder or any part thereof by appropriate legal proceedings. If any default results in the cancellation of the Policy, insured agrees to pay a cancellation charge in accordance with applicable law (Kentucky - None).
4. **Money Received After Cancellation.** Any payment received after policy cancellation may be credited to the indebtedness due hereunder without any liability or obligation on the part of LENDER to request reinstatement of such cancelled policy. Any sum received from an insurance company shall be credited to the balance due hereunder; any surplus shall be paid over to the insured; in case of deficiency, the insured shall pay the same.
5. **Application of Payments.** If applicable law permits, all payments received by LENDER will be applied to the oldest invoice first. Any remaining amounts will be applied to late fees and other charges (if applicable), the remainder (if any) would be applied to any other outstanding amounts.
6. **Returned Check Charge.** If any payment made by check is returned because the insured had no account or insufficient funds in the payor bank, insured will be charged the maximum fee, if any, permitted under applicable law (not applicable in Kentucky).
7. **Default.** If any of the following happens: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement. Insured will be in default; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. Clauses (b) and (c) not applicable in Kentucky.
8. **Security.** To secure payment of all amounts due under this Agreement, insured assigns LENDER a security interest in all right, title and interest to the Policy, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under the Policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any return of the premium for the Policy, and (c) dividends which may become due insured in connection with the Policy. Clause (c) not applicable in Kentucky.
9. **Right to Demand Immediate Payment in Full.** At any time after default, LENDER can demand and have the right to receive immediate payment (except to the extent otherwise provided by applicable law, in which case LENDER will have the right to receive such payment in accordance with such law) of the total unpaid balance due under this Agreement even if LENDER has not received any refund of unearned premium.
10. **Warranties.** Insured warrants to LENDER (a) to have received a copy of this Agreement and (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured. The insured represents that it is not presently the subject of or in contemplation of a proceeding in bankruptcy, receivership, or insolvency, or if it is a debtor in bankruptcy, the Bankruptcy Court has authorized this transaction.
11. **Early Payment.** At any time, insured may pay the whole amount still unpaid. If insured pays the full amount before it is due, insured will be given a refund for the unearned Finance Charge computed by the method of refund as required by applicable law. (Rule of 78th method of refund in Texas after deducting fully earned charge of \$10 on finance amounts of \$1,000 or less, \$25 on finance amounts exceeding \$1,000.)
12. **Assignments.** Insured may not assign the Policy or this Agreement without LENDER's written consent. However, insured does not need LENDER's written consent to add mortgagees or other persons as loss payees. LENDER may transfer its rights under this Agreement to anyone without insured's consent. All of LENDER's rights shall inure to the benefit of LENDER's successors and assigns.
13. **Collection.** If money is due and insured fails to pay, LENDER may collect the unpaid balance from insured without recourse to the security interest granted under this Agreement.
14. **Late Charges.** Upon default in payment of any installments for not less than five days (or such greater number of days required by applicable law), insured agrees to pay a late charge in accordance with applicable law. In no event shall such late charge exceed a maximum of 5% of such installment (\$5 plus an amount not to exceed 2% in Kansas; and 5% of installment in Texas).
15. **Finance Charge.** The finance charge begins to accrue from the effective date of this Agreement or the earliest inception date of the Insurance Policy(ies) listed on the Schedule of Policies, whichever is earlier. If LENDER terminates this Agreement due to a default, insured will pay interest on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation and from said date until insured pays the outstanding indebtedness in full to LENDER. To the extent permitted by applicable law, the Finance charge may include a nonrefundable Agreement charge not to exceed \$20 (\$10 in KS; \$15 in KY; \$18 in MI).
16. **Attorney's Fees.** If LENDER hires an attorney (which is not a salaried employee) to collect any money insured owes under this Agreement, insured will pay that attorney's fees and other collection costs (including collectors' fee) if and to the extent permitted by applicable law (not applicable in Kentucky).
17. **Agent or Broker.** The Agent or Broker named on the front of this Agreement is neither authorized by LENDER to receive installments payable under this Agreement nor is authorized to make any representations to insured on LENDER's behalf (except to the extent expressly required by applicable law).
18. **Amendments.** If the insurance contract has not been issued at the time of the signing of this Agreement, and if the policies being financed are assigned risk policies or policies listed in a state fund, the policy numbers, if omitted herein, may be inserted in this Agreement after it has been signed.
19. **Effective Date.** This Agreement will not go into effect until it is accepted by LENDER in writing, except in the State of Texas. In the State of Texas, any unacceptable premium finance agreement received by LENDER must be returned within three (3) working days of your receipt. LENDER's failure to return such Agreement will be deemed acceptance.
20. **Limitation of Liability.** Insured recognizes and agrees that LENDER is a lender and not an insurance company and that LENDER assumes no liability as an insurer hereunder. LENDER's liability for breach of any of the terms of this Agreement or the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of LENDER's gross negligence or willful misconduct.
21. **Wisconsin Insureds.** For Wisconsin insureds, this contract is governed by the laws of the State of Wisconsin.
22. **Governing Law.** The law of the State of the insured's residence shall govern this Agreement, except, for AR, IN, IA, LA, MN, NE, OK, SD and WV Insureds this contract is governed by the laws of the State of New York.
23. **Signature and Acknowledgement.** Insured has signed and received a copy of this Agreement. If the insured is not an individual, the undersigned is authorized to sign this Agreement on behalf of the insured. All the insureds listed in any Policy have signed. Insured acknowledges and understands that insurance premium financing law does not require an insured to enter into a premium financing agreement as a condition of the purchase of any insurance policy.
24. **Additional Insured.** There is nothing in any Policy that would require Lender to notify or get the consent of any third party to effect cancellation of such Policy.
25. **Privacy Notice.** Information regarding our privacy policies and compensation arrangements with your agent/broker may be found at <http://www.iaicc.com/privacy.html>.

<div style="text-align: center;">           Place (X)            If Not Authorized            (See #3 below)         </div> <div style="text-align: center;"> <b>SCHEDULE OF POLICIES</b> (Continue Schedule on Attachment If Necessary)         </div>								
Policy Number and Prefix (itemized)	↓ X	Full Name of Insurance Company and Name and Address of Policy Issuing Agent or Company Office To Which Premium is Paid and Notices are Sent	Type of Policy Premium	Audit Info	Earn % Minimum	Term in Mos. Cov. By Prem.	Effective Date M/ D/ Y	Policy Premiums
PRPNA0800150		C: Lloyd's of London	PRP :0		0.00	9	12/29/2008	119,572.00
*(AR=ASSIGNED RISK), (A=AUDITABLE), (LS=LOSS SENSITIVE)							<b>TOTAL PREMIUMS</b> (Record in "A")	<b>119,572.00</b>

#### ADDITIONAL REPRESENTATIONS & WARRANTIES OF BROKER OR AGENT

3. Warrants that this is the authorized Policy issuing agent of the insurance companies or the broker placing the coverage directly with the insurance company on all the Policies scheduled except those indicated with an "X" above.
4. Warrants that there are no policies included in this Agreement which are subject to audit, report of values, retrospective rating, or minimum earned premium, except as indicated below, and that, if there are any, the deposit or provisional premium thereon is not less than the anticipated premium to be earned for the full term of the policy.  
 Policy No.(s): \_\_\_\_\_ Minimum earned premium, if any: \$ \_\_\_\_\_
5. Warrants that there are no assigned risk policies in the Schedule of Policies except as indicated in the Schedule of Policies.
6. The Agent or Broker will hold in trust for LENDER any payments made or credited to the insured through the Agent or Broker directly, indirectly, actually or constructively, by any of the insurance companies listed in the Schedule of Policies and will pay the monies to LENDER upon demand to satisfy the then outstanding balance hereunder.
7. The Agent or Broker will promptly notify LENDER in writing if any information on this Agreement becomes inaccurate.
8. Warrants that all material information concerning the insured and the Policies necessary for Lender to cancel the policies and receive the unearned premium has been disclosed to Lender.
9. There is nothing in any Policy that would require Lender to notify or get the consent of any third party to effect cancellation of such Policy.



## EXHIBIT B

**PREMIUM FINANCE AGREEMENT  
DISCLOSURE STATEMENT  
AND SECURITY AGREEMENT**

**AICCO, Inc.**

101 Hudson Street, Jersey City, NJ 07302 (201) 631-5400 or (877) 902-4242  
80 Pine Street, 6<sup>th</sup> Fl., New York, NY 10005 (212) 770-2900 or (877) 902-4242  
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99 High Street, 30<sup>th</sup> Fl., Boston, MA 02110 (617) 457-2841 or (877) 902-4242  
300 South Riverside Plaza, Suite 2100, Chicago, IL 60606 (312) 559-1410 or (877) 902-4242

A	TOTAL PREMIUMS	\$	1,387,500.00	BORROWER / INSURED (The "Insured") (Name, Address and Telephone Number)  American Housing Foundation 2414 N Akard St Suite 550  Dallas TX 79102-2668 E-Mail Address (optional):  ANNUAL PERCENTAGE RATE 7.46 % (Cost of Credit figured as a yearly rate)	Acct. No.				
B	CASH DOWN PAYMENT REQUIRED	\$	587,500.00						
C	AMOUNT FINANCED (The Amount of Credit Provided to Insured or on its behalf)	\$	800,000.00						
D	FINANCE CHARGE (Dollar amount credit will cost)	\$	25,374.07						
E	TOTAL PAYMENTS (Amounts which will have been paid after making all scheduled payments)	\$	825,374.07	PAYMENT SCHEDULE					
				Amount of Each Payment	Number of Payments	1 <sup>st</sup> Payment Due	Final Payment Due		
					Annual	Qtrly	Mthly		
				91,708.23			9	10/29/2008	07/01/2009

**SEE PAGE 3 FOR SCHEDULE OF FINANCED POLICIES**

**AGREEMENT OF INSURED (JOINT AND SEVERAL, IF MORE THAN ONE)**

**THE UNDERSIGNED INSURED:**

- In consideration of the premium payments being financed, and if applicable, down payment being advanced by LENDER to the Insurance companies listed on the SCHEDULE OF FINANCED POLICIES, or their representative, promises to pay to the order of LENDER the TOTAL OF PAYMENTS to be made in accordance with the PAYMENT SCHEDULE and if applicable, the amount of any down payment advanced by LENDER subject to the provisions set forth in this Agreement.
- Irrevocably appoints LENDER Attorney-in-Fact with full authority, in the event of default, to (i) cancel the said policies in accordance with the provisions herein, (ii) receive all sums assigned to LENDER and (iii) execute and deliver on behalf of the undersigned all documents, forms and notices relating to the insurance policies listed on the SCHEDULE OF FINANCED POLICIES in furtherance of this Agreement.

**IMPORTANT NOTICE TO INSURED**

**NOTICE:** 1. Do not sign this Agreement before you read it or if it contains any blank spaces. 2. You are entitled to a complete filled-in-copy of this Agreement. 3. Keep your copy of this Agreement to protect your legal rights.

**NOTICE:** See Pages 2 and 3 Additional Important Information.

**THE INSURED AGREES TO THE PROVISIONS  
ABOVE AND ON PAGES 2 AND 3**

**AGENT OR BROKER  
BUSINESS ADDRESS**

Lockton Companies of Colorado, Inc.

8110 East Union Avenue  
Suite 700

Denver

CO 80237

**TEL. NO./E-MAIL ADDRESS**

303-414-6000


**The Undersigned Agent or Broker:**

- Represents and warrants as follows: (a) to the best of the undersigned's knowledge and belief, the insured's signature is genuine or, to the extent permitted by applicable Law, the undersigned Agent or Broker has been authorized by the insured to sign this Agreement on their behalf, (b) the insured has received a copy of this Agreement, (c) the scheduled Policies are in full force and effect and the premiums indicated therefore are correct, (d) the insured may cancel all scheduled policies immediately upon request, (e) none of the Policies scheduled in the agreement are non-cancelable, and (f) the down payment as indicated in Box "B" and installments totaling \_\_\_\_\_ have been collected and are being retained by us.

- Upon cancellation of any of the scheduled Policies, the undersigned Agent or Broker agrees upon demand to pay to LENDER or its assigns their commission on any unearned premiums applicable to the cancelled Policies.

**THE AGENT OR BROKER AGREES TO THE  
PROVISIONS ABOVE AND ON PAGE 3**

10-23-08  
DATE

  
SIGNATURE (AND TITLE) OF INSURED(S) OR AGENT OR  
BROKER ON THEIR BEHALF (to extent permitted by Law)

DATE

SIGNATURE AND TITLE OF AGENT OR BROKER

#### ADDITIONAL AGREEMENTS OF INSURED (JOINT AND SEVERAL, IF MORE THAN ONE)

3. **Cancellation.** After the occurrence of a default in the payment of any money due the LENDER or a default consisting of a transfer to a third party of any of the scheduled policies, LENDER may request cancellation of the insurance policies listed in the schedule upon expiration of 10 days written notice of intent to cancel (13 days in Iowa), provided said default is not cured within such period, and LENDER may proceed to collect the entire unpaid balance due hereunder or any part thereof by appropriate legal proceedings. If any default results in the cancellation of the Policy, insured agrees to pay a cancellation charge in accordance with applicable law (Kentucky - None).
4. **Money Received After Cancellation.** Any payment received after policy cancellation may be credited to the indebtedness due hereunder without any liability or obligation on the part of LENDER to request reinstatement of such cancelled policy. Any sum received from an insurance company shall be credited to the balance due hereunder; any surplus shall be paid over to the insured; in case of deficiency, the insured shall pay the same.
5. **Application of Payments.** If applicable law permits, all payments received by LENDER will be applied to the oldest invoice first. Any remaining amounts will be applied to late fees and other charges (if applicable), the remainder (if any) would be applied to any other outstanding amounts.
6. **Returned Check Charge.** If any payment made by check is returned because the insured had no account or insufficient funds in the payor bank, insured will be charged the maximum fee, if any, permitted under applicable law (not applicable in Kentucky).
7. **Default.** If any of the following happens: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement. Insured will be in default; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. Clauses (b) and (c) not applicable in Kentucky.
8. **Security.** To secure payment of all amounts due under this Agreement, insured assigns LENDER a security interest in all right, title and interest to the Policy, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under the Policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any return of the premium for the Policy, and (c) dividends which may become due insured in connection with the Policy. Clause (c) not applicable in Kentucky.
9. **Right to Demand Immediate Payment in Full.** At any time after default, LENDER can demand and have the right to receive immediate payment (except to the extent otherwise provided by applicable law, in which case LENDER will have the right to receive such payment in accordance with such law) of the total unpaid balance due under this Agreement even if LENDER has not received any refund of unearned premium.
10. **Warranties.** Insured warrants to LENDER (a) to have received a copy of this Agreement and (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured. The insured represents that it is not presently the subject of or in contemplation of a proceeding in bankruptcy, receivership, or insolvency, or if it is a debtor in bankruptcy, the Bankruptcy Court has authorized this transaction.
11. **Early Payment.** At any time, insured may pay the whole amount still unpaid. If insured pays the full amount before it is due, insured will be given a refund for the unearned Finance Charge computed by the method of refund as required by applicable law. (Rule of 78th method of refund in Texas after deducting fully earned charge of \$10 on finance amounts of \$1,000 or less, \$25 on finance amounts exceeding \$1,000.)
12. **Assignments.** Insured may not assign the Policy or this Agreement without LENDER's written consent. However, insured does not need LENDER's written consent to add mortgagees or other persons as loss payees. LENDER may transfer its rights under this Agreement to anyone without insured's consent. All of LENDER's rights shall inure to the benefit of LENDER's successors and assigns.
13. **Collection.** If money is due and insured fails to pay, LENDER may collect the unpaid balance from insured without recourse to the security interest granted under this Agreement.
14. **Late Charges.** Upon default in payment of any installments for not less than five days (or such greater number of days required by applicable law), insured agrees to pay a late charge in accordance with applicable law. In no event shall such late charge exceed a maximum of 5% of such installment (\$5 plus an amount not to exceed 2% in Kansas; and 5% of installment in Texas).
15. **Finance Charge.** The finance charge begins to accrue from the effective date of this Agreement or the earliest inception date of the Insurance Policy(ies) listed on the Schedule of Policies, whichever is earlier. If LENDER terminates this Agreement due to a default, insured will pay interest on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation and from said date until insured pays the outstanding indebtedness in full to LENDER. To the extent permitted by applicable law, the Finance charge may include a nonrefundable Agreement charge not to exceed \$20 (\$10 in KS; \$15 in KY; \$18 in MI).
16. **Attorney's Fees.** If LENDER hires an attorney (which is not a salaried employee) to collect any money insured owes under this Agreement, insured will pay that attorney's fees and other collection costs (including collectors' fee) if and to the extent permitted by applicable law (not applicable in Kentucky).
17. **Agent or Broker.** The Agent or Broker named on the front of this Agreement is neither authorized by LENDER to receive installments payable under this Agreement nor is authorized to make any representations to insured on LENDER's behalf (except to the extent expressly required by applicable law).
18. **Amendments.** If the insurance contract has not been issued at the time of the signing of this Agreement, and if the policies being financed are assigned risk policies or policies listed in a state fund, the policy numbers, if omitted herein, may be inserted in this Agreement after it has been signed.
19. **Effective Date.** This Agreement will not go into effect until it is accepted by LENDER in writing, except in the State of Texas. In the State of Texas, any unacceptable premium finance agreement received by LENDER must be returned within three (3) working days of your receipt. LENDER's failure to return such Agreement will be deemed acceptance.
20. **Limitation of Liability.** Insured recognizes and agrees that LENDER is a lender and not an insurance company and that LENDER assumes no liability as an insurer hereunder. LENDER's liability for breach of any of the terms of this Agreement or the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of LENDER's gross negligence or willful misconduct.
21. **Wisconsin Insureds.** For Wisconsin insureds, this contract is governed by the laws of the State of Wisconsin.
22. **Governing Law.** The law of the State of the insured's residence shall govern this Agreement, except, for AR, IN, IA, LA, MN, NE, OK, SD and WV Insureds this contract is governed by the laws of the State of New York.
23. **Signature and Acknowledgement.** Insured has signed and received a copy of this Agreement. If the insured is not an individual, the undersigned is authorized to sign this Agreement on behalf of the insured. All the insureds listed in any Policy have signed. Insured acknowledges and understands that insurance premium financing law does not require an insured to enter into a premium financing agreement as a condition of the purchase of any insurance policy.
24. **Additional Insured.** There is nothing in any Policy that would require Lender to notify or get the consent of any third party to effect cancellation of such Policy.
25. **Privacy Notice.** Information regarding our privacy policies and compensation arrangements with your agent/broker may be found at <http://www.iaicc.com/privacy.html>.

Place (X) If Not Authorized (See #3 below)								
SCHEDULE OF POLICIES (Continue Schedule on Attachment If Necessary)								
Policy Number and Prefix (itemized)	↓ X	Full Name of Insurance Company and Name and Address of Policy Issuing Agent or Company Office To Which Premium is Paid and Notices are Sent	Type of Policy Premium	Audit Info	Earn % Minimum	Term in Mos. Cov. By Prem.	Effective Date	Policy Premiums
							M/ D/ Y	
NHD354765		C: Lloyd's of London	PRP :0		0.00	12	09/29/2008	1,387,500.00
*(AR=ASSIGNED RISK), (A=AUDITABLE), (LS=LOSS SENSITIVE)							TOTAL PREMIUMS (Record in "A")	1,387,500.00

#### ADDITIONAL REPRESENTATIONS & WARRANTIES OF BROKER OR AGENT

- Warrants that this is the authorized Policy issuing agent of the insurance companies or the broker placing the coverage directly with the insurance company on all the Policies scheduled except those indicated with an "X" above.
- Warrants that there are no policies included in this Agreement which are subject to audit, report of values, retrospective rating, or minimum earned premium, except as indicated below, and that, if there are any, the deposit or provisional premium thereon is not less than the anticipated premium to be earned for the full term of the policy.  
Policy No.(s): \_\_\_\_\_ Minimum earned premium, if any: \$ \_\_\_\_\_
- Warrants that there are no assigned risk policies in the Schedule of Policies except as indicated in the Schedule of Policies.
- The Agent or Broker will hold in trust for LENDER any payments made or credited to the insured through the Agent or Broker directly, indirectly, actually or constructively, by any of the insurance companies listed in the Schedule of Policies and will pay the monies to LENDER upon demand to satisfy the then outstanding balance hereunder.
- The Agent or Broker will promptly notify LENDER in writing if any information on this Agreement becomes inaccurate.
- Warrants that all material information concerning the insured and the Policies necessary for Lender to cancel the policies and receive the unearned premium has been disclosed to Lender.
- There is nothing in any Policy that would require Lender to notify or get the consent of any third party to effect cancellation of such Policy.

## EXHIBIT C

Property Name	Payment 06-2009	Payment 07-2009
Corporate Office	\$103.08	\$103.08
Amarillo Gardens	\$2,980.91	\$2,980.91
Canterbury	\$2,562.80	\$2,562.80
Puckett Place	\$8,544.19	\$8,544.19
River Falls Apartments	\$10,007.77	\$10,007.77
Three Fountains (aka Fountains I, II, III)	\$7,493.27	\$7,493.27
NWTH Meridian	\$701.76	\$701.76
Lakewood Terrace	\$6,935.76	\$6,935.76
Corporate Office	\$544.75	\$544.75
Brandywood	\$26,298.83	\$26,298.83
Sea Greens	\$5,212.03	\$5,212.03
Old Clarion Inn & Suites	\$2,405.52	\$2,405.52
AHF - due from previous return premiums	\$17,917.56	\$17,917.56
	<b>\$91,708.23</b>	<b>\$91,708.23</b>

<b>\$91,708.23</b>	<b>\$91,708.23</b>
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California Square II	\$691.00	\$691.00
Decatur Meadows	\$292.00	\$292.00
Donna Village	\$955.00	\$955.00
Druid Hills	\$1,920.00	\$1,920.00
Falfurrias	\$624.00	\$624.00
Fieldcrest	\$565.00	\$565.00
Kalmia	\$2,526.00	\$2,526.00
Oakland City	\$2,492.00	\$2,492.00
Oakland City		
Oakland City		
Portland **	\$1,154.00	\$1,154.00
Rio Hondo	\$342.68	\$342.68
Swift Creek	\$1,235.00	\$1,235.00
Westgate	\$2,648.00	\$2,648.00
Yadkin House	\$955.00	\$955.00

<b>\$16,399.68</b>	<b>\$16,399.68</b>
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<b>\$108,107.91</b>	<b>\$108,107.91</b>
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Late Fee - AHF

\$5,405.40

Total Due

<b>\$113,513.31</b>	<b>\$108,107.91</b>
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## EXHIBIT D

AMERICAN HOUSING FOUNDATION

DRAFT Premium Allocation  
September 29, 2008 to September 29, 2009

Portfolio	MGMT CO	Property Name	Address	City	State	Zip Code	County	Contents	Rental Income	Building Value (SOV)	Total Insurable Value (TIV)	Number of Units	Tier 1 Location	Number of Stories	Number of Buildings	Year Built	Year Updated	Square Footage	Average Square Footage / Unit	Construction Type	Roofing Material
AHF	AHF/AHF	Corporate Office	1800 S Washington	Amarillo	TX	79114	Randall	\$150,000	\$0	\$0	\$150,000	1	N	2	1	N/A	N/A	N/A		N/A	N/A
AHF	WAG/AHF	Amarillo Gardens	1223 S. Roberts	Amarillo	TX	79102	Potter	\$25,000	\$217,000	\$4,228,920	\$4,470,920	100	N	2	10	1971	1,990	93,976		Brick Veneer	Composition
Am Affordable	WAG/AHF	Canterbury	2026-27 Austin St	Amarillo	TX	79109	Potter	\$25,000	\$488,977	\$3,235,700	\$3,749,677	95	N	2	8	1976		61,750	650	Brick Veneer	Comp shingles
Am Affordable	WAG/AHF	Puckett Place	3343, 3439, 3477, 3453 Amherst Bldg	Amarillo	TX	79109	Randall	\$25,000	\$1,462,420	\$11,204,838	\$12,692,258	255	N	4	6	1968-72		207,497	814	Masonry	Urethane Foam
Am Affordable	WAG/AHF	River Falls Apartments	6040 Belpree Rd	Amarillo	TX	79109	Randall	\$25,000	\$1,536,562	\$13,428,990	\$14,990,552	288	N	3	5	1979		227,610	790	Masonry	EPDM
Am Affordable	WAG/AHF	Three Fountains (aka Fountains I, II, III)	3305 S. Eddy #A,B,C,D,E,F,G,H, & I	Amarillo	TX	79109	Randall	\$25,000	\$1,218,619	\$9,950,310	\$11,193,929	223	N	3	9	1976-77		184,265	826	Masonry	Comp/Carlyle Roof
Bankone	WAG/AHF	Fairway Apartments	609 S. Western	Amarillo	TX	79106	Potter	\$0	\$101,184	\$641,815	\$742,999	24	N	2	2	1967	1,997	13,676	570	Stucco	Built Up
Bankone	WAG/AHF	Astoria Park	3118 West 15th	Amarillo	TX	79102	Potter	\$25,000	\$898,308	\$7,532,649	\$8,455,957	164	N	2	9	1946	1,997	152,144	928	Brick Veneer	Composition
Bankone	WAG/AHF	NWTH Meridian	2201 W. 6th	Amarillo	TX	79101	Potter	\$5,000	\$104,894	\$928,750	\$1,038,644	34	N	B/3	1	1924	2,000	18,362	540	Brick	Composition
Bankone	WAG/AHF	Bel Aire Apartments	703 Independence	Amarillo	TX	79106	Potter	\$0	\$54,000	\$205,960	\$559,960	14	N	2	3	1963	1,997	8,689	621	Brick Veneer	Composition
Greens	WAG/AHF	Greentree Village	2301 Seth	Amarillo	TX	79108	Potter	\$25,000	\$735,948	\$9,609,365	\$10,370,313	160	N	1	41	2000		185,760	1,161	Brick Veneer/Hardy Plank	Composition
Greens	WAG/AHF	Green Acres	3118 West 15th	Amarillo	TX	79102	Potter	\$25,000	\$1,004,386	\$9,882,672	\$10,912,058	194	N	1	48	1946	2,001	188,889	974	Brick Veneer/Hardy Plank	Composition
MMA	WAG/AHF	Stonebriar Village	1500 Yonkers	Amarillo	TX	79072	Hale	\$25,000	\$495,202	\$5,169,990	\$5,690,192	100	N	2	26	2001		98,476	985	Brick Veneer/Hardy Plank	Composition
MMA	WAG/AHF	Plum Creek Apartments (Rosemeade)	5900 Plum Creek Drive	Amarillo	TX	79124	Potter	\$25,000	\$1,116,846	\$7,253,940	\$8,395,786	184	N	3	9	2003		141,928	771	Brick Veneer/Hardy Plank	Composition
MMA	WAG/AHF	Glenwood Apartments	2000 SE 28th	Amarillo	TX	79103	Potter	\$25,000	\$807,097	\$5,908,169	\$6,740,266	120	N	3	8	2004		114,744	956	Brick Veneer/Hardy Plank	Composition
MMA	WAG/AHF	Fairway Village	6118 Fairway Drive	Austin	TX	78741	Travis	\$25,000	\$1,114,490	\$6,797,515	\$7,937,005	128	N	2	17	1971	2,000	128,255	1,002	Brick Veneer	Composition
MMA	WAG/AHF	Santa Maria Village	8071 North Lamar	Austin	TX	78753	Travis	\$25,000	\$1,084,619	\$7,504,620	\$8,614,239	176	N	1,2	39	1966	2,000	131,660	748	Brick Veneer	Composition
Walden 2	WAG/AHF	Trestles of Austin	1071 Clayton Lane	Austin	TX	78723	Travis	\$25,000	\$2,463,233	\$19,012,545	\$21,500,778	396	N	3	17	1984		275,904	697	Brick Veneer	Composition
Walden 2	WAG/AHF	Arbors of Austin	1070 Mearns Meadow Blvd	Austin	TX	78758	Travis	\$25,000	\$1,371,150	\$8,210,760	\$9,606,910	226	N	2&3	15	1985		154,920	685	Brick Veneer	Composition
Walden 2	WAG/AHF	Audubon Square	12425 Mellow Meadow	Austin	TX	78750	Travis	\$25,000	\$1,068,799	\$7,392,228	\$8,486,027	164	N	2	19	1983		139,476	850	Brick/Siding	Composition
Walden 2	WAG/AHF	Ashbury Parke	9024 Northgate	Austin	TX	78758	Travis	\$25,000	\$2,385,329	\$14,504,672	\$16,915,001	416	N	2&3	22	1983		278,936	671	Brick Veneer	Composition
Walden 2	WAG/AHF	Harper's Creek	1730 E Oltorf	Austin	TX	78741	Travis	\$25,000	\$1,766,903	\$10,091,900	\$11,883,803	268	N	2&3	9	1982		201,838	753	Brick Veneer	Composition
Walden 2	WAG/AHF	Pinto Creek	2207 Wickersham Lane	Austin	TX	78741	Travis	\$25,000	\$1,711,305	\$9,957,300	\$11,693,605	249	N	2&3	15	1985		199,146	800	Frame w/ wood siding	Composition
Walden 2	WAG/AHF	Polo Club	8519 Cahill	Austin	TX	78729	Williamson	\$25,000	\$1,829,783	\$10,761,833	\$12,616,616	304	N	2&3	19	1986		203,784	670	Brick	Composition
AHF	WAG/AHF	Lakewood Terrace	6900 Bayway Drive	Baytown	TX	77520	Harris	\$25,000	\$606,587	\$8,055,366	\$8,686,953	120	Y	2	20	1975		168,994	1,408	Wood frame w/ brick/hardy plank	Composition
Walden 1	WAG/AHF	Settler's Cove	4045 Treadway	Beaumont	TX	77706	Jefferson	\$25,000	\$1,127,685	\$6,756,210	\$7,908,895	182	Y	2	10	1982		133,654	734	Brick Veneer	Composition
THOF	WAG/AHF	Southgate Village	134 Luther Street	College Station	TX	77840	Brazos	\$25,000	\$1,581,854	\$8,692,172	\$10,299,026	200	N	1,2	21	1970	2,001	171,986	860	Brick Veneer/Hardy Plank	Built Up
Walden 1	WAG/AHF	Cimarron Park	2201 Montgomery Park Blvd	Conroe	TX	77304	Montgomery	\$25,000	\$1,112,938	\$6,894,117	\$8,032,055	162	N	2	14	1984	2000-roof	134,756	832	Wood w/ brick veneer	Composition
Walden 1	WAG/AHF	Stony Creek (aka Pine Creek Village, Stone Ridge)	2311 I-45 North	Conroe	TX	77304	Montgomery	\$25,000	\$2,702,149	\$8,761,072	\$11,488,221	468	N	2	19	1982	2000-roof	170,184	364	Wood w/ brick veneer	Composition
AHF	AHF/AHF	Corporate Office	2414 North Akard Street, Suite 550	Dallas	TX	75201	Dallas	\$150,000	\$0	\$0	\$150,000	1	N			N/A	N/A	N/A		N/A	N/A
Walden 1	WAG/AHF	Bent Creek	9750 Forest Lane	Dallas	TX	75243	Dallas	\$25,000	\$1,628,039	\$12,247,170	\$13,900,209	326	N	2	19	1980		234,082	718	Wood w/ brick veneer	Composition
Walden 1	WAG/AHF	Shadowridge Village	9701 W Ferris Branch Blvd	Dallas	TX	75243	Dallas	\$25,000	\$1,052,582	\$6,694,605	\$7,772,187	144	N	3	19	1978		118,804	825	Brick	Composition
Walden 1	WAG/AHF	Creekwood Village	10928 Audelia	Dallas	TX	75243	Dallas	\$25,000	\$1,800,786	\$13,342,368	\$15,168,154	362	N	2&3	24	1985		256,584	709	Brick veneer/ cedar siding	Composition
Walden 2	WAG/AHF	Greens Crossing	10700 Woodmeadow Parkway	Dallas	TX	75228	Dallas	\$25,000	\$2,088,219	\$15,629,024	\$17,742,243	364	N	2&3	10	1984		262,761	722	Brick veneer/ cedar siding	Composition
Walden 2	WAG/AHF	Montfort Oaks	14100 Montfort Drive	Dallas	TX	75240	Dallas	\$25,000	\$1,962,063	\$13,072,929	\$15,059,992	276	N	5	29	1979		215,476	781	Wood w/ brick veneer	Composition
Walden 2	WAG/AHF	Brittany Park	14222 Dallas Parkway	Dallas	TX	75240	Dallas	\$25,000	\$1,605,349	\$11,851,434	\$13,481,783	217	N	2	28	1979		193,556	892	Wood w/ brick veneer	Composition
Walden 1	WAG/AHF	Woodedge	10802 Green Creek Drive	Houston	TX	77070	Harris	\$25,000	\$883,831	\$5,251,901	\$6,160,732	126	Y	3	11	1981	2000-roof	113,850	904	Frame w/ frame veneer	Composition
Walden 1	WAG/AHF	Aston Brook	14101 Walters Road	Houston	TX	77014	Harris	\$25,000	\$985,738	\$6,053,557	\$7,064,295	152	Y	2	11	1982	1998-roof	119,376	785	Brick/ T-111	Composition
Walden 1	WAG/AHF	One Willow Park/Chase (aka Ridge at Willow Brook)	8450 Willow Place, North	Houston	TX	77070	Harris	\$25,000	\$1,942,857	\$11,850,035	\$13,817,892	314	Y	1	25	1984	2001-roof	244,381	778	Brick	Composition
Walden 1	WAG/AHF	Northwoods	18001 Cypress Trace	Houston	TX	77090	Harris	\$25,000	\$1,643,645	\$12,642,235	\$14,310,880	200	Y	2	38	1978		237,636	1,188	Wood frame w/ brick	Composition
LIHTC	WAG/AHF	Hurst Manor	300 North Booth Calloway Road	Hurst	TX	76053	Tarrant	\$25,000	\$627,068	\$5,678,442	\$6,330,510	112	N	2	7	1968	1,999	111,342	994	Brick Veneer	Composition
Walden 2	WAG/AHF	Huntington at Hidden Hills	3333 Monument Road	Jacksonville	FL	32225	Duval	\$25,000	\$1,692,532	\$9,693,112	\$11,410,644	224	Y	2	16	1986		183,200	818	Frame w/vinyl siding	Composition
Walden 2	WAG/AHF	Garden Place	1360 West Isabella	Mesa	AZ	85202	Marcopa	\$25,000	\$1,940,976	\$11,093,760	\$13,059,736	286	N	2&3	8	1979		231,120	808	Frame & Sutcco	Composition
Bankone	WAG/AHF	Park Place	215 Northeast 28th	Oklahoma City	OK	73105	Oklahoma	\$25,000	\$917,549	\$8,642,790	\$9,585,339	223	N	4	4	1964	1,999	161,216	723	Brick Veneer	Composition
Bankone	WAG/AHF	Parkview Apartments	2211 S. Kentucky	Oklahoma City	OK	73108	Oklahoma	\$25,000	\$1,139,232	\$9,574,737	\$10,738,969	242	N	1	91	1945	1,999	161,218	666	Frame w/aluminum siding	Composition
Richmond	WAG/AHF	Brandywood	6411 Spencer Highway	Pasadena	TX	77505	Harris	\$25,000	\$3,693,965	\$25,460,735	\$29,179,700	698	Y	2	53	1972	1,996	569,464	816	Stucco	Composition
Walden 2	WAG/AHF	Fairways	2045 W Butler Drive	Phoenix	AZ	85021	Mariacopa	\$25,000	\$1,024,398	\$5,555,024	\$6,604,422	160	N	2	15	1981		118,192	739	Brick	Composition
AHF	WAG/AHF	Sea Greens	202 Sea Shell	Port Lavaca	TX	77979	Calhoun	\$25,000	\$367,187	\$5,876,943	\$6,269,130	110	Y	1	110	1996		106,370	967	Masonry	Composition
AHF	WAG/AHF	Old Clarion Inn & Suites	333 Rio Concho Drive	San Angelo	TX	76903	Tom Green	\$0	\$0	\$3,250,000	\$3,250,000	109	N	2&3	2	1966	2,002	85,601	785	Concrete Block w/ Wood 2" by 6" studs. Stucco over brick veneer over concrete block. Flooring is reinforced slab,w ith concrete subfloor on 2nd & 3rd levels.	concrete decking with built up composition cover
Walden 2	WAG/AHF	Ashton Park	2020 Bearss Avenue	Tampa	FL	33613	Hillsborough	\$25,000	\$1,326,617	\$7,775,441	\$9,127,058	192	Y	2	12	1988		152,072	792	Frame/ Stucco	Composition
Walden 2	WAG/AHF	Avondale	6760 South Trenton	Tulsa	OK	74136	Tulsa	\$25,000	\$1,405,885	\$9,834,609	\$11,265,494	328	N	2	19	1979		194,168	592	Cedar & Stone veneer	Composition
Walden 2	WAG/AHF	Coventry Park	8120 E 63rd Place S	Tulsa	OK	74133	Tulsa	\$25,000	\$1,272,017	\$8,044,734	\$9,341,751	256	N	2	18	1978		156,848	613	Sutcco/ Hardi cedar	Composition
Walden 2	WAG/AHF	Fountain Crest	1818 E 71st Street	Tulsa	OK	74136	Tulsa	\$25,000	\$1,952,087	\$16,616,945	\$18,594,032	424	N	2	25	1978		256,672	605	Sutcco/ Hardi cedar	Composition
MMA	WAG/AHF	Robinson Gardens	2724 Robinson Drive	Waco	TX	76706	McLennan	\$25,000	\$1,076,363	\$9,908,679	\$11,010,042	208	N	2	15	1966	2,000	196,796	946	Brick Veneer	Composition
THOF	WAG/AHF	Parkside Village	1323 N. 9th Street	Waco	TX	76706	McLennan	\$25,000	\$1,193,223	\$10,452,536	\$11,670,759	200	N	2	27	1966	2,000	198,491	992	Brick Veneer	Composition
LIHTC	WAG/AHF	Parkland Oaks	5228 Professional Drive	Wichita Falls	TX	76302	Wichita	\$25,000	\$1,441,114	\$16,363,915	\$17,830,029	326	N	2	40	1978	2,000	301,084	924	Brick Veneer	Composition
Walden 1	WAG/AHF	Fountaingate	5210 Tower Drive	Wichita Falls	TX	76310	Wichita	\$25,000	\$1,688,894	\$13,804,231	\$15,518,125	280	N	2	36	1979	2001-roof	252,040	900	Brick Veneer	Composition

al Liability, Umbrella and Terrorism

Spectrum	Johnson Univer	City View Towers	425 West Fifth St.	Charlotte	NC	28202	Mecklenburg	\$50,000	\$3,000,000	\$36,603,000	\$39,653,000	145	8	1	2005		185,900	1,282	Steel/Concrete/Masonry			
								\$1,630,000	\$73,520,483	\$545,739,269	\$620,889,752	12,420				1,155				33,978	9,809,559	44,924



AMERICAN HOUSING FOUNDATION

DRAFT Premium Allocation  
September 29, 2008 to September 29, 2009

																						\$304.13 Pool Rate		\$7.50		\$8.29		\$0.00		\$76.00		\$0.01			
Portfolio	MGMT CO	Property Name	Roof Type	Wiring	Circuit Breakers	Commercial Exposure	Sprinklers	Smoke Detectors	Number of Pools	Is Pool Fenced	Self-latching Gates	Diving Boards	Depth Markers	Life Safety Equipment	Rules/Disclaimers Posted	Criminal/Credit Checks on Employees	Criminal/Credit Checks on Tenants	On-Site Property Management	On-Site Maintenance	Golf Carts	Flood Zone	General Liability	GL Surplus Lines Tax	GL Surplus Lines Fee	GL Loss Fund	Umbrella	Employed Lawyers	Boiler	Golf Carts	Terrorism	Surplus Lines Tax	Stamping Fee	FL Hurricane Surcharge		
AHF	AHF/AHF	Corporate Office	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		C	\$18.92	\$0.92	\$0.01	\$7.50	\$8.29	\$0.00	\$3.90	\$0.00	\$11.48	\$0.56	\$0.01	\$0.00		
AHF	WAG/AHF	Amarillo Gardens	Flat	Cooper	Yes	None	No	Yes	0	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		C	\$1,891.66	\$91.75	\$1.13	\$750.00	\$829.23	\$0.00	\$116.18	\$0.00	\$342.04	\$16.59	\$0.21	\$0.00		
Am Affordable	WAG/AHF	Canterbury	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		C	\$2,101.21	\$101.91	\$1.26	\$712.50	\$787.77	\$0.00	\$97.44	\$0.00	\$286.86	\$13.91	\$0.17	\$0.00		
Am Affordable	WAG/AHF	Puckett Place	Flat	Copper	Yes	None	No	Yes	2	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		C	\$5,431.99	\$263.45	\$3.26	\$1,912.50	\$2,114.53	\$0.00	\$329.82	\$0.00	\$971.00	\$47.09	\$0.58	\$0.00		
Am Affordable	WAG/AHF	River Falls Apartments	Flat/Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		C	\$5,752.11	\$278.98	\$3.45	\$2,160.00	\$2,388.17	\$0.00	\$389.54	\$0.00	\$1,146.82	\$55.62	\$0.69	\$0.00		
Am Affordable	WAG/AHF	Three Fountains (aka Fountains I, II, III)	Flat/Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		C	\$4,522.53	\$219.34	\$2.71	\$1,672.50	\$1,849.18	\$0.00	\$290.88	\$0.00	\$856.37	\$41.53	\$0.51	\$0.00		
Bankone	WAG/AHF	Fairway Apartments	Flat	Copper	Yes	None	No	Yes	0	N/A	N/A	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes		C	\$454.00	\$22.02	\$0.27	\$180.00	\$199.01	\$0.00	\$19.31	\$0.00	\$56.84	\$2.76	\$0.03	\$0.00		
Bankone	WAG/AHF	Astoria Park	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	C	\$3,406.45	\$165.21	\$2.04	\$1,230.00	\$1,359.93	\$0.00	\$219.74	\$76.00	\$646.91	\$31.37	\$0.39	\$0.00		
Bankone	WAG/AHF	NWTH Meridian	Sloped/Flat Back	Copper	Yes	None	No	Yes	0	N/A	N/A	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes		C	\$643.16	\$31.19	\$0.39	\$255.00	\$281.94	\$0.00	\$26.99	\$0.00	\$79.46	\$3.85	\$0.05	\$0.00		
Bankone	WAG/AHF	Bel Aire Apartments	Sloped	Copper	Yes	None	No	Yes	0	N/A	N/A	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes		C	\$264.83	\$12.84	\$0.16	\$105.00	\$116.09	\$0.00	\$14.55	\$0.00	\$42.84	\$2.08	\$0.03	\$0.00		
Greens	WAG/AHF	Greentree Village	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	C	\$3,330.79	\$161.54	\$2.00	\$1,200.00	\$1,326.76	\$0.00	\$269.48	\$76.00	\$793.36	\$38.48	\$0.48	\$0.00		
Greens	WAG/AHF	Green Acres	Sloped	Copper	Yes	None	No	Yes	0	N/A	N/A	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes		C	\$3,669.82	\$177.99	\$2.20	\$1,455.00	\$1,608.70	\$0.00	\$283.56	\$0.00	\$834.81	\$40.49	\$0.50	\$0.00		
MMA	WAG/AHF	Stonebriar Village	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		X	\$2,195.79	\$106.50	\$1.32	\$750.00	\$829.23	\$0.00	\$147.86	\$0.00	\$435.32	\$21.11	\$0.26	\$0.00		
MMA	WAG/AHF	Plum Creek Apartments (Rosemeade)	Sloped	Cooper	Yes	None	Yes	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	C	\$3,784.78	\$183.56	\$2.27	\$1,380.00	\$1,525.78	\$0.00	\$218.17	\$76.00	\$642.30	\$31.15	\$0.39	\$0.00		
MMA	WAG/AHF	Glenwood Apartments	Sloped	Cooper	Yes	None	Yes	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	C	\$2,574.12	\$124.84	\$1.54	\$900.00	\$995.07	\$0.00	\$175.15	\$76.00	\$515.65	\$25.01	\$0.31	\$0.00		
MMA	WAG/AHF	Fairway Village	Flat	Copper	Yes	None	No	Yes	0	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		X	\$2,421.32	\$117.43	\$1.45	\$960.00	\$1,061.41	\$0.00	\$206.25	\$0.00	\$607.21	\$29.45	\$0.36	\$0.00		
MMA	WAG/AHF	Santa Maria Village	Sloped	Copper	Yes	None	No	Yes	0	Yes	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	X	\$3,329.32	\$161.47	\$2.00	\$1,320.00	\$1,459.44	\$0.00	\$223.85	\$76.00	\$659.02	\$31.96	\$0.40	\$0.00		
Walden 2	WAG/AHF	Trestles of Austin	Sloped	Copper	Yes	None	No	Yes	2	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2	X	\$8,099.23	\$392.81	\$4.86	\$2,970.00	\$3,283.74	\$0.00	\$558.72	\$152.00	\$1,644.88	\$79.78	\$0.99	\$0.00		
Walden 2	WAG/AHF	Arbors of Austin	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	X	\$4,579.28	\$222.10	\$2.75	\$1,695.00	\$1,874.05	\$0.00	\$249.64	\$76.00	\$734.96	\$35.65	\$0.44	\$0.00		
Walden 2	WAG/AHF	Audubon Square	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		X	\$3,406.45	\$165.21	\$2.04	\$1,230.00	\$1,359.93	\$0.00	\$220.52	\$0.00	\$649.21	\$31.49	\$0.39	\$0.00		
Walden 2	WAG/AHF	Ashbury Parke	Sloped	Copper	Yes	None	No	Yes	2	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	3	X	\$8,477.57	\$411.16	\$5.09	\$3,120.00	\$3,449.58	\$0.00	\$439.55	\$228.00	\$1,294.05	\$62.76	\$0.78	\$0.00		
Walden 2	WAG/AHF	Harper's Creek	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	X	\$5,373.78	\$260.63	\$3.22	\$2,010.00	\$2,222.33	\$0.00	\$308.81	\$76.00	\$909.15	\$44.09	\$0.55	\$0.00		
Walden 2	WAG/AHF	Pinto Creek	Sloped	Copper	Yes	None	No	Yes	2	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	X	\$5,318.49	\$257.95	\$3.19	\$1,867.50	\$2,064.78	\$0.00	\$303.87	\$76.00	\$894.60	\$43.39	\$0.54	\$0.00		
Walden 2	WAG/AHF	Polo Club	Sloped	Copper	Yes	None	No	Yes	2	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2	X	\$6,358.91	\$308.41	\$3.82	\$2,280.00	\$2,520.85	\$0.00	\$327.85	\$152.00	\$965.21	\$46.81	\$0.58	\$0.00		
AHF	WAG/AHF	Lakewood Terrace	Sloped/Flat Back	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		X	\$2,574.12	\$124.84	\$1.54	\$900.00	\$995.07	\$0.00	\$225.74	\$0.00	\$664.58	\$32.23	\$0.40	\$0.00		
Walden 1	WAG/AHF	Settler's Cove	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		X	\$3,746.95	\$181.73	\$2.25	\$1,365.00	\$1,509.19	\$0.00	\$205.52	\$0.00	\$605.06	\$29.35	\$0.36	\$0.00		
THOF	WAG/AHF	Southgate Village	Sloped	Copper	Yes	None	No	Yes	0	N/A	N/A	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes		X	\$3,783.32	\$183.49	\$2.27	\$1,500.00	\$1,658.45	\$0.00	\$267.63	\$0.00	\$787.91	\$38.21	\$0.47	\$0.00		
Walden 1	WAG/AHF	Cimarron Park	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	X	\$3,368.62	\$163.38	\$2.02	\$1,215.00	\$1,343.35	\$0.00	\$208.72	\$76.00	\$614.48	\$29.80	\$0.37	\$0.00		
Walden 1	WAG/AHF	Stony Creek (aka Pine Creek Village, Stone Ridge)	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	X	\$9,157.10	\$444.12	\$5.49	\$3,510.00	\$3,880.78	\$0.00	\$298.53	\$76.00	\$878.88	\$42.63	\$0.53	\$0.00		
AHF	AHF/AHF	Corporate Office	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			\$18.92	\$0.92	\$0.01	\$7.50	\$8.29	\$2,650.00	\$3.90	\$0.00	\$11.48	\$0.56	\$0.01	\$0.00		
Walden 1	WAG/AHF	Bent Creek	Sloped	Copper	Yes	None	No	Yes	2	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	X	\$6,775.07	\$328.59	\$4.07	\$2,445.00	\$2,703.28	\$0.00	\$361.21	\$76.00	\$1,063.41	\$51.58	\$0.64	\$0.00		
Walden 1	WAG/AHF	Shadowridge Village	Sloped	Copper	Yes	None	No	Yes	1	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		X	\$3,028.12	\$146.86	\$1.82	\$1,080.00	\$1,194.09	\$0.00	\$201.97	\$0.00	\$594.60	\$28.84	\$0.36	\$0.00		
Walden 1																																			

AMERICAN HOUSING FOUNDATION

DRAFT Premium Allocation  
September 29, 2008 to September 29, 2009

			\$0.28			\$500,000.00			\$1,387,500.00			\$125,000.00							
Portfolio	MGMT CO	Property Name	FL EMPA Surcharge	Tier Two Property Premium	Tier One Property Premium Total	London Taxes				Steadfast Taxes				Total Liability	Total Property	Total Boiler/ Golf Cart	2008-2009		
						Surplus Lines Tax	Stamping Fee	FL Hurricane Surcharge	FL EMPA Surcharge	Surplus Lines Tax	Stamping Fee	FL Hurricane Surcharge	FL EMPA Surcharge				Total Due	Per Unit	
	AHF	AHF/AHF	Corporate Office	\$0.00	\$418.72	\$129.04	\$17.37	\$0.21	\$0.00	\$0.00	\$1.56	\$0.02	\$0.00	\$0.00	\$28.14	\$449.92	\$3.90	\$618.50	\$618.50
	AHF	WAG/AHF	Amarillo Gardens	\$0.00	\$12,480.40	\$795.04	\$517.63	\$6.40	\$0.00	\$0.00	\$46.63	\$0.58	\$0.00	\$0.00	\$2,813.77	\$13,410.48	\$116.18	\$17,885.46	\$178.85
Am Affordable	WAG/AHF	Canterbury		\$0.00	\$10,467.08	\$327.60	\$434.13	\$5.37	\$0.00	\$0.00	\$39.11	\$0.48	\$0.00	\$0.00	\$2,992.14	\$11,247.12	\$97.44	\$15,376.80	\$161.86
Am Affordable	WAG/AHF	Puckett Place		\$0.00	\$35,429.95	\$3,139.32	\$1,469.47	\$18.18	\$0.00	\$0.00	\$132.38	\$1.64	\$0.00	\$0.00	\$7,813.23	\$38,070.29	\$329.82	\$51,265.17	\$201.04
Am Affordable	WAG/AHF	River Falls Apartments		\$0.00	\$41,845.55	\$4,110.39	\$1,735.56	\$21.47	\$0.00	\$0.00	\$156.36	\$1.93	\$0.00	\$0.00	\$8,422.71	\$44,964.00	\$389.54	\$60,046.65	\$208.50
Am Affordable	WAG/AHF	Three Fountains (aka Fountains I, II, III)		\$0.00	\$31,247.42	\$2,826.41	\$1,296.00	\$16.03	\$0.00	\$0.00	\$116.76	\$1.44	\$0.00	\$0.00	\$6,593.76	\$33,576.07	\$290.88	\$44,959.63	\$201.61
Bankone	WAG/AHF	Fairway Apartments		\$0.00	\$2,074.05	(\$92.85)	\$86.02	\$1.06	\$0.00	\$0.00	\$7.75	\$0.10	\$0.00	\$0.00	\$675.30	\$2,228.61	\$19.31	\$3,010.38	\$125.43
Bankone	WAG/AHF	Astoria Park		\$0.00	\$23,604.48	\$2,271.11	\$979.00	\$12.11	\$0.00	\$0.00	\$88.20	\$1.09	\$0.00	\$0.00	\$4,933.64	\$25,363.56	\$295.74	\$34,094.04	\$207.89
Bankone	WAG/AHF	NWTH Meridian		\$0.00	\$2,899.33	(\$143.52)	\$120.25	\$1.49	\$0.00	\$0.00	\$10.83	\$0.13	\$0.00	\$0.00	\$956.68	\$3,115.40	\$26.99	\$4,210.55	\$123.84
Bankone	WAG/AHF	Bel Aire Apartments		\$0.00	\$1,563.11	\$54.70	\$64.83	\$0.80	\$0.00	\$0.00	\$5.84	\$0.07	\$0.00	\$0.00	\$393.93	\$1,679.60	\$14.55	\$2,247.78	\$160.56
Greens	WAG/AHF	Greentree Village		\$0.00	\$28,948.33	\$4,039.90	\$1,200.64	\$14.85	\$0.00	\$0.00	\$108.17	\$1.34	\$0.00	\$0.00	\$4,821.09	\$31,105.64	\$345.48	\$41,512.12	\$259.45
Greens	WAG/AHF	Green Acres		\$0.00	\$30,460.59	\$3,468.93	\$1,263.36	\$15.63	\$0.00	\$0.00	\$113.82	\$1.41	\$0.00	\$0.00	\$5,458.71	\$32,730.60	\$283.56	\$43,396.80	\$223.69
MMA	WAG/AHF	Stonebriar Village		\$0.00	\$15,883.95	\$1,843.90	\$658.79	\$8.15	\$0.00	\$0.00	\$59.35	\$0.73	\$0.00	\$0.00	\$3,132.83	\$17,067.67	\$147.86	\$22,942.26	\$229.42
MMA	WAG/AHF	Plum Creek Apartments (Rosemeade)		\$0.00	\$23,436.51	\$1,609.35	\$972.04	\$12.03	\$0.00	\$0.00	\$87.57	\$1.08	\$0.00	\$0.00	\$5,496.40	\$25,183.07	\$294.17	\$33,962.98	\$184.58
MMA	WAG/AHF	Glenwood Apartments		\$0.00	\$18,815.19	\$2,137.21	\$780.37	\$9.65	\$0.00	\$0.00	\$70.30	\$0.87	\$0.00	\$0.00	\$3,695.58	\$20,217.35	\$251.15	\$27,201.30	\$226.68
MMA	WAG/AHF	Fairway Village		\$0.00	\$22,155.84	\$4,010.69	\$918.92	\$11.37	\$0.00	\$0.00	\$82.79	\$1.02	\$0.00	\$0.00	\$3,601.62	\$23,806.96	\$206.25	\$32,585.52	\$254.57
MMA	WAG/AHF	Santa Maria Village		\$0.00	\$24,046.32	\$3,537.27	\$997.33	\$12.34	\$0.00	\$0.00	\$89.85	\$1.11	\$0.00	\$0.00	\$4,952.23	\$25,838.32	\$299.85	\$35,947.67	\$204.25
Walden 2	WAG/AHF	Trestles of Austin		\$0.00	\$60,018.59	\$9,780.71	\$2,489.29	\$30.80	\$0.00	\$0.00	\$224.26	\$2.77	\$0.00	\$0.00	\$11,780.64	\$64,491.35	\$710.72	\$89,733.42	\$226.60
Walden 2	WAG/AHF	Arbors of Austin		\$0.00	\$26,817.32	\$3,290.20	\$1,112.26	\$13.76	\$0.00	\$0.00	\$100.20	\$1.24	\$0.00	\$0.00	\$6,678.18	\$28,815.83	\$325.64	\$40,804.85	\$180.55
Walden 2	WAG/AHF	Audubon Square		\$0.00	\$23,688.42	\$3,690.98	\$982.49	\$12.15	\$0.00	\$0.00	\$88.51	\$1.09	\$0.00	\$0.00	\$4,933.64	\$25,453.75	\$220.52	\$35,528.89	\$216.64
Walden 2	WAG/AHF	Ashbury Parke		\$0.00	\$47,217.57	\$5,395.87	\$1,958.37	\$24.23	\$0.00	\$0.00	\$176.43	\$2.18	\$0.00	\$0.00	\$12,343.40	\$50,736.36	\$667.55	\$72,263.18	\$173.71
Walden 2	WAG/AHF	Harper's Creek		\$0.00	\$33,173.18	\$4,324.86	\$1,375.87	\$17.02	\$0.00	\$0.00	\$123.95	\$1.53	\$0.00	\$0.00	\$7,859.96	\$35,645.34	\$384.81	\$50,224.97	\$187.41
Walden 2	WAG/AHF	Pinto Creek		\$0.00	\$32,642.25	\$4,579.25	\$1,353.85	\$16.75	\$0.00	\$0.00	\$121.97	\$1.51	\$0.00	\$0.00	\$7,644.41	\$35,074.85	\$379.87	\$49,545.87	\$198.98
Walden 2	WAG/AHF	Polo Club		\$0.00	\$35,218.80	\$4,163.25	\$1,460.71	\$18.07	\$0.00	\$0.00	\$131.60	\$1.63	\$0.00	\$0.00	\$9,191.98	\$37,843.41	\$479.85	\$53,958.49	\$177.50
AHF	WAG/AHF	Lakewood Terrace		\$0.00	\$24,249.29	\$10,736.82	\$1,005.75	\$12.44	\$0.00	\$0.00	\$90.61	\$1.12	\$0.00	\$0.00	\$3,695.58	\$26,056.42	\$225.74	\$41,614.56	\$346.79
Walden 1	WAG/AHF	Settler's Cove		\$0.00	\$22,077.38	\$11,754.51	\$915.67	\$11.33	\$0.00	\$0.00	\$82.49	\$1.02	\$0.00	\$0.00	\$5,440.12	\$23,722.65	\$205.52	\$42,487.80	\$233.45
THOF	WAG/AHF	Southgate Village		\$0.00	\$28,749.33	\$4,458.58	\$1,192.39	\$14.75	\$0.00	\$0.00	\$107.42	\$1.33	\$0.00	\$0.00	\$5,627.53	\$30,891.81	\$267.63	\$42,745.56	\$213.73
Walden 1	WAG/AHF	Cimarron Park		\$0.00	\$22,421.17	\$11,316.45	\$929.93	\$11.50	\$0.00	\$0.00	\$83.78	\$1.04	\$0.00	\$0.00	\$4,877.37	\$24,092.06	\$284.72	\$41,785.60	\$257.94
Walden 1	WAG/AHF	Stony Creek (aka Pine Creek Village, Stone Ridge)		\$0.00	\$32,068.93	\$22,613.57	\$1,330.07	\$16.45	\$0.00	\$0.00	\$119.83	\$1.48	\$0.00	\$0.00	\$13,487.49	\$34,458.80	\$374.53	\$74,444.40	\$159.07
AHF	AHF/AHF	Corporate Office		\$0.00	\$418.72	\$129.04	\$17.37	\$0.21	\$0.00	\$0.00	\$1.56	\$0.02	\$0.00	\$0.00	\$2,678.14	\$449.92	\$3.90	\$3,268.50	\$3,268.50
Walden 1	WAG/AHF	Bent Creek		\$0.00	\$38,801.90	\$23,291.44	\$1,609.32	\$19.91	\$0.00	\$0.00	\$144.98	\$1.79	\$0.00	\$0.00	\$9,811.01	\$41,693.53	\$437.21	\$77,678.19	\$238.28
Walden 1	WAG/AHF	Shadowridge Village		\$0.00	\$21,695.76	\$11,692.90	\$899.84	\$11.13	\$0.00	\$0.00	\$81.07	\$1.00	\$0.00	\$0.00	\$4,370.89	\$23,312.59	\$201.97	\$40,658.35	\$282.35
Walden 1	WAG/AHF	Creekwood Village		\$0.00	\$42,341.32	\$25,634.17	\$1,756.12	\$21.73	\$0.00	\$0.00	\$158.21	\$1.96	\$0.00	\$0.00	\$11,143.03	\$45,496.72	\$470.16	\$85,459.07	\$236.07
Walden 2	WAG/AHF	Greens Crossing		\$0.00	\$49,526.79	\$27,917.49	\$2,054.14	\$25.41	\$0.00	\$0.00	\$185.06	\$2.29	\$0.00	\$0.00	\$10,561.18	\$53,217.67	\$461.05	\$94,887.38	\$260.68
Walden 2	WAG/AHF	Montfort Oaks		\$0.00	\$42,039.39	\$22,551.13	\$1,743.60	\$21.57	\$0.00	\$0.00	\$157.08	\$1.94	\$0.00	\$0.00	\$8,404.12	\$45,172.29	\$391.35	\$78,588.89	\$284.74
Walden 2	WAG/AHF	Brittany Park		\$0.00	\$37,633.88	\$19,142.50	\$1,560.88	\$19.31	\$0.00	\$0.00	\$140.62	\$1.74	\$0.00	\$0.00	\$6,744.00	\$40,438.47	\$350.34	\$68,302.80	\$314.76
Walden 1	WAG/AHF	Woodedge		\$0.00	\$17,197.45	\$8,727.68	\$713.27	\$8.82	\$0.00	\$0.00	\$64.26	\$0.79	\$0.00	\$0.00	\$3,864.41	\$18,479.05	\$160.09	\$32,176.24	\$255.37
Walden 1	WAG/AHF	Aston Brook		\$0.00	\$19,719.71	\$10,211.95	\$817.88	\$10.12	\$0.00	\$0.00	\$73.68	\$0.91	\$0.00	\$0.00	\$4,595.99	\$21,189.28	\$183.57	\$37,320.79	\$245.53
Walden 1	WAG/AHF	One Willow Park/Chase (aka Ridge at Willow Brook)		\$0.00	\$38,572.11	\$20,428.63	\$1,599.79	\$19.79	\$0.00	\$0.00	\$144.13	\$1.78	\$0.00	\$0.00	\$9,792.42	\$41,446.62	\$359.07	\$74,381.74	\$236.88
Walden 1	WAG/AHF	Northwoods		\$0.00	\$39,948.27	\$17,751.72	\$1,656.87	\$20.50	\$0.00	\$0.00	\$149.27	\$1.85	\$0.00	\$0.00	\$5,946.60	\$42,925.33	\$523.88	\$68,647.53	\$343.24
LIHTC	WAG/AHF	Hurst Manor		\$0.00	\$17,671.37	\$9,339.72	\$732.93	\$9.07	\$0.00	\$0.00	\$66.03	\$0.82	\$0.00	\$0.00	\$3,470.48	\$18,988.29	\$164.50	\$32,803.00	\$292.88
Walden 2	WAG/AHF	Huntington at Hidden Hills		\$2.29	\$31,852.37	\$15,908.83	\$1,361.95	\$27.24	\$272.39	\$2.29	\$122.70	\$2.45	\$24.54	\$2.29	\$6,621.90	\$34,596.71	\$448.52	\$59,255.95	\$264.54
Walden 2	WAG/AHF	Garden Place		\$0.00	\$36,455.75	\$21,178.44	\$935.27	\$62.35	\$0.00	\$0.00	\$84.26	\$5.62	\$0.00	\$0.00	\$8,366.44	\$38,574.33	\$415.37	\$70,679.57	\$247.13
Bankone	WAG/AHF	Park Place		\$0.00	\$26,757.10	\$1,442.64	\$1,372.90	\$0.00	\$0.00	\$0.00	\$123.68	\$0.00	\$0.00	\$0.00	\$6,593.76	\$29,030.99	\$249.08	\$38,988.98	

## EXHIBIT E

# CONTRACT ENDORSEMENT



**Unique Market Reference:** B0713PRPNA0800150  
**Endorsement Reference:** 003  
**Insured:** American Housing Foundation

## CONTRACT CHANGES

This contract is amended as follows:

It is hereby noted and agreed by Underwriters that, effective 29<sup>th</sup> September 2008, **ADDRESS** is amended as follows:

**ADDRESS:** 2414 N. Akard Street, Suite 550, Dallas, Texas, 75201

It is further noted and agreed by Underwriters that the various **Program Sub-Limits (for 100%)** listed under are amended to read as follows:

USD200,000,000	per occurrence with respect to all property and perils, except as follows:
USD75,000,000	Flood in the aggregate during the Policy Period
USD30,000,000	Flood in Zones A & V in the aggregate during the Policy Period
USD75,000,000	Earthquake in the aggregate during the Policy Period
USD25,000,000	California Earthquake in the aggregate during the Policy Period
USD25,000,000	Loss to Undamaged Portion of Building
USD25,000,000	Ordinance or Law
Including	
USD5,000,000	Increased Cost of Construction
USD5,000,000	Demolition

All other terms and conditions remain unchanged.

Dated: 1st October 2008

## AGREEMENT

GENERAL UNDERWRITERS AGREEMENT (GUA)		
Each Underwriter's proportion is several not joint		
Slip Leader Only	Slip Leader And Agreement Parties	All Underwriters

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# CONTRACT ENDORSEMENT



**Unique Market Reference:** B0713PRPNA0800150

**Endorsement Reference:** 003

**Insured:** American Housing Foundation

Initial:					
Date:					
Syndicate / Co:					

**Note:** Where more than one insurer participates in the contract, the contract terms may mean that it is not always necessary to obtain a record of agreement to the Contract Endorsement from all of those insurers.

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## CONTRACT ENDORSEMENT



**Unique Market Reference:** B0713PRPNA0800150  
**Endorsement Reference:** 003  
**Insured:** American Housing Foundation

### CONTRACT CHANGES

This contract is amended as follows:

It is hereby noted and agreed by Underwriters that, effective 29<sup>th</sup> September 2008, **ADDRESS** is amended as follows:

**ADDRESS:** 2414 N. Akard Street, Suite 550, Dallas, Texas, 75201

It is further noted and agreed by Underwriters that the various **Program Sub-Limits (for 100%)** listed under are amended to read as follows:

USD200,000,000	per occurrence with respect to all property and perils, except as follows:
USD75,000,000	Flood in the aggregate during the Policy Period
USD30,000,000	Flood in Zones A & V in the aggregate during the Policy Period
USD75,000,000	Earthquake in the aggregate during the Policy Period
USD25,000,000	California Earthquake in the aggregate during the Policy Period
USD25,000,000	Loss to Undamaged Portion of Building
USD25,000,000	Ordinance or Law
Including	
USD5,000,000	Increased Cost of Construction
USD5,000,000	Demolition

All other terms and conditions remain unchanged.

Dated: 1st October 2008

### AGREEMENT

GENERAL UNDERWRITERS AGREEMENT (GUA)		
Each Underwriter's proportion is several not joint		
Slip Leader Only	Slip Leader And Agreement Parties	All Underwriters
10/12/08 COPIES TO ALL.		

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# CONTRACT ENDORSEMENT



Unique Market Reference: B0713PRPNA0800150  
Endorsement Reference: 002  
Insured: American Housing Foundation

## CONTRACT CHANGES

This contract is amended as follows:

It is hereby noted and agreed by Underwriters that, effective 7<sup>th</sup> October 2008, coverage is extended to include various locations as per the attached Schedule which seen, noted and agreed by Underwriters and held on file by Lockton Companies International.

In consideration of the foregoing there is due and payable to Underwriters an additional premium of USD 115,340 (100%) annual, Pro Rata for Period and payable as per the Quarterly Adjustment Clause.

All other terms and conditions remain unchanged.

Dated: 7<sup>th</sup> October 2008

## AGREEMENT

GENERAL UNDERWRITERS AGREEMENT (GUA)		
Each Underwriter's proportion is several not joint		
Slip Leader Only	Slip Leader And Agreement Parties	All Underwriters
		MAY 7/10/08

Initial:					
Date:					
Syndicate / Co:					

**Note:** Where more than one insurer participates in the contract, the contract terms may mean that it is not always necessary to obtain a record of agreement to the Contract Endorsement from all of those insurers.

**American Housing Foundation  
8th October 2008 Acquisition Schedule of Locations**

PROJECT	LEGAL NAME	ADDRESS 1	CITY	STATE	ZIP	COUNTY	CONTENTS	APPRAISED VALUE	REVENUE	INSURED VALUE	UNITS	BUILDINGS	CONSTRUCTION TYPE	Roof Type	Roofing Material	Wiring	STORIES	BUILT	SOFTET
California Square II	KY California Square II LLC	1800 Garland Avenue	Louisville	KY	40210	Jefferson	\$10,000	\$2,355,000	\$335,000	\$2,700,000	48	4	Frame	Pitched	Asphalt	Copper	2	1983	30,840
Decatur Meadows	MS Decatur Meadows LLC	280 LITTLE ROCK DECATUR RD	Decatur	MS	39327	Newton	\$10,000	\$1,634,000	\$356,000	\$3,300,000	44	7	Frame	Pitched	Asphalt	Copper	2	1983	36,512
Donna Village	AHF Donna Village Apartments LLC	301 Sover Avenue	Donna	TX	78637	Hidalgo	\$10,000	\$2,819,000	\$471,000	\$3,300,000	58	35	Brick Veneer	Pitched	Asphalt	Copper	1	1976	55,435
Druid Hills	SC Druid Hills LLC	100 SNIDERS HWY	Waterboro	SC	29408	Colleton	\$10,000	\$3,985,000	\$505,000	\$4,500,000	80	14	Brick Veneer	Pitched	Asphalt	Copper	2	1981	60,684
Fallurrias	AHF Fallurrias Village Apartments LLC	898 S. Center Street	Fallurrias	TX	78355	Brooks	\$10,000	\$2,302,000	\$388,000	\$2,700,000	50	25	Brick Veneer	Pitched	Asphalt	Copper	1	1980	45,004
Falldcrest	MS Fieldcrest LLC	135 RUSSELL DR EXT.	Waynesboro	MS	39387	Wayne	\$10,000	\$1,939,000	\$351,000	\$2,300,000	70	8	Brick Veneer	Pitched	Asphalt	Copper	2	1982	42,636
Kalmia	SC Kalmia LLC	1600 KALMIA	Granville	SC	29629	Alcon	\$10,000	\$5,452,000	\$638,000	\$6,100,000	96	16	Brick Veneer	Pitched	Asphalt	Copper	2	1981	79,992
Oakland City	GA Oakland City LLC	1191 B OAKLAND LANE	Atlanta	GA	30310	Fullon	\$10,000	\$5,032,000	\$958,000	\$6,000,000	111	33	Concrete	Pitched	Asphalt	Copper	2	1983	78,107
Portland Plaza	KY Portland Plaza LLC	3400 Portland Plaza	Louisville	KY	40212	Jefferson	\$10,000	\$2,924,000	\$466,000	\$3,400,000	70	12	Brick Veneer	Pitched	Asphalt	Copper	3	1971	36,594
Rio Hondo	AHF Rio Hondo Village Apartments LLC	901 S. Reynolds	Rio Hondo	TX	78583	Comerton	\$10,000	\$2,340,000	\$350,000	\$2,700,000	49	27	Brick Veneer	Pitched	Asphalt	Copper	1	1977	44,609
Swift Creek	SC Swift Creek LLC	405 Swift Creek Rd	Hartsville	SC	29550	Darlington	\$10,000	\$3,258,000	\$432,000	\$3,700,000	72	13	Brick Veneer	Pitched	Asphalt	Copper	2	1981	55,832
Westgate	GA Westgate LLC	145 Wheelhill Road	Garden City	GA	31408	Chatham	\$10,000	\$5,185,000	\$605,000	\$5,800,000	94	10	Brick Veneer	Pitched	Asphalt	Copper	2	1983	61,952
Yadkin House	NC Yadkin House LLC	201 NORTH LEE STREET	Salisbury	NC	28144	Rowan	\$10,000	\$2,962,000	\$428,000	\$3,100,000	67	1	Masonry Bearing Wall	Flat	Asphalt	Copper	4	1912	34,159
							\$130,000	\$41,887,000	\$6,283,000	\$48,300,000									661,536

*MAP 7/10/08*



# CONTRACT ENDORSEMENT



Unique Market Reference: B0713PRPNA0800150  
Endorsement Reference: 002  
Insured: American Housing Foundation

## CONTRACT CHANGES

This contract is amended as follows:

It is hereby noted and agreed by Underwriters that, effective <sup>WJH</sup> 8<sup>th</sup> October 2008, coverage is extended to include various locations as per the attached Schedule which seen, noted and agreed by Underwriters and held on file by Lockton Companies International.

In consideration of the foregoing there is due and payable to Underwriters an additional premium of USD <sup>115,240</sup> (100%) annual, Pro Rata for Period and payable as per the Quarterly Adjustment Clause.

All other terms and conditions remain unchanged.

Dated: 7<sup>th</sup> October 2008

## AGREEMENT

GENERAL UNDERWRITERS AGREEMENT (GUA)		
Each Underwriter's proportion is several not joint		
Slip Leader Only	Slip Leader And Agreement Parties	All Underwriters
WJH 7/10/08 Letter to me.		

Initial:					
Date:					
Syndicate / Co:					

Note: Where more than one insurer participates in the contract, the contract terms may mean that it is not always necessary to obtain a record of agreement to the Contract Endorsement from all of those insurers.

**American Housing Foundation**  
**8th October 2008 Acquisition Schedule of Locations**

PROJECT	LEGAL NAME	ADDRESS 1	CITY	STATE	ZIP	COUNTY	CONTENTS	APPRaised	REVENUE	1977 ESTIMATED VALUE	UNITS	BUILDINGS	CONSTRUCTION TYPE	ROOF TYPE	WHITING	STORIES	BUILT	SQFEET
California Square II	KY California Square II LLC	1600 Gairland Avenue	Louisville	KY	40210	Jefferson	\$10,000	\$2,355,000	\$335,000	\$2,700,000	48	4	Frame	Asphalt	Copper	2	1983	30,640
Decatur Meadows	MS Decatur Meadows LLC	280 LITTLE ROCK DECATUR RD	Decatur	MS	39327	Newton	\$10,000	\$1,634,000	\$356,000	\$2,000,000	44	7	Frame	Asphalt	Copper	2	1983	36,512
Donna Village	AHF Donna Village Apartments LLC	301 Sover Avenue	Donna	TX	78537	Hidalgo	\$10,000	\$2,819,000	\$471,000	\$3,300,000	59	35	Brick Veneer	Asphalt	Copper	1	1976	55,435
Druid Hills	SC Druid Hills LLC	100 SNIDERS HWY	Waterboro	SC	29488	Colleton	\$10,000	\$3,985,000	\$505,000	\$4,500,000	80	14	Brick Veneer	Asphalt	Copper	2	1981	60,664
Fallurrias	AHF Fallurrias Village Apartments LLC	898 S. Center Street	Fallurrias	TX	78355	Brooks	\$10,000	\$2,302,000	\$388,000	\$2,700,000	50	25	Brick Veneer	Asphalt	Copper	1	1980	45,004
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Oakland City	GA Oakland City LLC	1181 B OAKLAND LANE	Atlanta	GA	30310	Fulton	\$10,000	\$5,032,000	\$958,000	\$6,000,000	111	33	Concrete	Asphalt	Copper	2	1983	78,107
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Westgate	GA Westgate LLC	145 Wheatthill Road	Garden City	GA	31408	Chatham	\$10,000	\$5,185,000	\$605,000	\$5,800,000	94	10	Brick Veneer	Asphalt	Copper	2	1983	61,352
Yadkin House	NC Yadkin House LLC	201 NORTH LEE STREET	Salisbury	NC	28144	Rowan	\$10,000	\$2,662,000	\$428,000	\$3,100,000	67	1	Masonry Bearing Wall	Asphalt	Copper	4	1912	34,159
							\$130,000	\$41,887,000	\$5,283,000	\$46,300,000								661,536

2010/10/14  
 HJN

# CONTRACT ENDORSEMENT



**Unique Market Reference:** B0713PRPNA0800150  
**Endorsement Reference:** 001  
**Insured:** American Housing Foundation

## CONTRACT CHANGES

This contract is amended as follows:

**ENDORSEMENT** 29<sup>th</sup> September 2008 at 12.01 a.m. Standard Time at the location  
**EFFECTIVE DATE:** of the property insured.

It is hereby noted and agreed by Underwriters that, effective 29<sup>th</sup> September 2008, the following Clause listed under **CONDITIONS** is deleted in its entirety:

**CONDITIONS:** Including Boiler Explosion and Machinery Breakdown.

It is noted and agreed by Underwriters that this Policy excludes Boiler Explosion and Machinery Breakdown.

All other terms and conditions remain unchanged.

Dated: 17th September 2008

## AGREEMENT

GENERAL UNDERWRITERS AGREEMENT (GUA)		
Each Underwriter's proportion is several not joint		
Slip Leader Only	Slip Leader And Agreement Parties	All Underwriters
MAY 3/10/08		

Initial:					
Date:					
Syndicate / Co:					

**Note:** Where more than one insurer participates in the contract, the contract terms may mean that it is not always necessary to obtain a record of agreement to the Contract Endorsement from all of those insurers.

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# CONTRACT ENDORSEMENT



**Unique Market Reference:** B0713PRPNA0800150  
**Endorsement Reference:** 001  
**Insured:** American Housing Foundation

## CONTRACT CHANGES

This contract is amended as follows:

**ENDORSEMENT** 29<sup>th</sup> September 2008 at 12.01 a.m. Standard Time at the location  
**EFFECTIVE DATE:** of the property insured.

It is hereby noted and agreed by Underwriters that, effective 29<sup>th</sup> September 2008, the following Clause listed under **CONDITIONS** is deleted in its entirety:

**CONDITIONS:** Including Boiler Explosion and Machinery Breakdown.

It is noted and agreed by Underwriters that this Policy excludes Boiler Explosion and Machinery Breakdown.

All other terms and conditions remain unchanged.

Dated: 17th September 2008

## AGREEMENT

GENERAL UNDERWRITERS AGREEMENT (GUA)		
Each Underwriter's proportion is several not joint		
Slip Leader Only	Slip Leader And Agreement Parties	All Underwriters
WFA 30/9/08		

Initial:					
Date:					
Syndicate / Co:					

**Note:** Where more than one insurer participates in the contract, the contract terms may mean that it is not always necessary to obtain a record of agreement to the Contract Endorsement from all of those insurers.

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713 LCI

Policy Number

PRPNA0800150

Assured

American Housing Foundation

Reassured

File Name

---

For LPSO use

---

For ILU use

---

For LIRMA use

---

**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**RISK DETAILS****UNIQUE MARKET  
REFERENCE:**

B0713PRPNA0800150

**TYPE:**

ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE, as more fully defined in the Policy Wording.

**INSURED:**

**American Housing Foundation** and/or any owned, controlled, associated, affiliated and subsidiary companies including but not limited to joint ventures, partnerships, investments and other interests of the Named Insured but solely as respects the interests of the Named Insured and including automatically the interests of any parent, trust, corporation, owner, entity, or individual in the Named Insured, as more fully defined in the Policy Wording.

**ADDRESS:**

1800 S. Washington, Suite 311, Amarillo, Texas 79102-2668

**PERIOD:**From 29<sup>th</sup> September 2008 to 29<sup>th</sup> September 2009 both days at 12.01 a.m. Standard Time at the location of the property insured (or date and/or period to be agreed by the Slip Leader only).**INTEREST:**

REAL AND PERSONAL PROPERTY, BUSINESS INTERRUPTION, as more fully defined in the Policy Wording.

**SUM INSURED:**

USD25,000,000 per occurrence and in the annual aggregate separately in respect of the perils of Flood and Earthquake.

**EXCESS OF**

Various deductible amounts as set forth in the attached Schedule of Primary Policy Deductibles.

As more fully defined in the Policy Wording.

**SITUATION:**

This Policy covers loss occurring anywhere within the United States of America, including whilst in due course of transit.

**CONDITIONS:**

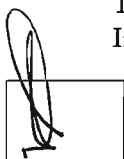
Policy Wording as expiring (being Lockton Companies International Limited Policy No. 713/PRPNA07000150) with amendments, if any, detailed herein.

The Policy Wording includes the following:  
Including Boiler Explosion and Machinery Breakdown.

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Checked



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QRPRPNA08001500000100003

10/26/08

**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**CONDITIONS  
CONTINUED:**

Newly Acquired Property limited to USD25,000,000 per location and to be reported within 90 days.

Quarterly Adjustment Clause.

90 days Notice of Cancellation Clause.

Loss Adjustment Expenses Clause.

Demolition and Increased Cost of Construction / Ordinance or Law Clause.

Services Interruption / Off Premises Power Clause.

Unintentional Errors and Omissions Clause.

Including Unlimited Vacancy.

Decontamination Clause.

Consequential Loss Clause.

Including Miscellaneous Unnamed Locations.

Schedule of Program Sub-limits (for 100%) as attached.

Coverage for property in the course of construction is limited to projects with Final Contract Values not exceeding USD25,000,000 per location.

Pollutant Clean Up Clause.

The assigned adjuster for all losses will be Engle Martin and Associates.

Civil and/or Military Authority limited to 30 days.

Ingress / Egress limited to 30 days.

Preservation of property Clause.

365 days Extended Period of Indemnity.

Replacement Cost / Capital Expenditure / Actual Loss Sustained basis of valuation.

Loss Payees and/or Mortgagees and/or Additional Named Insured's automatically agreed hereon as and where applicable without advice.

Agree, if required, to allow agent to issue Certificates and/or Verifications and/or Evidence of Insurance without advice.

MAP Mold, Mildew and Fungus Clause and Micro-organism Exclusion ((12 months Time Limit and USD1,000,000 Sub-limit).

LMA 5091 U.S. Terrorism Risk Insurance Act of 2002 as amended New & Renewal Business Endorsement. LMA 5092 U.S. Terrorism Risk Insurance Act of 2002 as amended Not Purchased Clause to apply if no formal confirmation received from the Insured prior to inception.

Debris Removal Clause

NMA 2918 War and Terrorism Exclusion.

NMA 2962 Biological or Chemical Materials Exclusion.

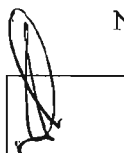
LMA 5019 Asbestos Endorsement.

NMA 2915 Electronic Data Endorsement B.

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Checked



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QRPRPNA08001500000100003

Handwritten: 12/26/08

**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**CONDITIONS  
CONTINUED:**

NMA 2802 Electronic Date Recognition Exclusion (EDRE).  
Joint Loss Agreement, if required.  
Radioactive Contamination Clause.  
Third Party Deductible Requirements.  
LMA5062 – Fraudulent Claims Clause.  
LSW1022A – Texas Complaints Notice.

**SUBJECTIVITIES:**

None.

**CHOICE OF LAW &  
JURISDICTION:**

Jurisdiction: LMA5020 Service of Suit (U.S.A.) naming Mendes and Mount, NY.

Law: This Policy shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit clause within this Policy.

**PREMIUM:**

USD 1,387,500 (100%) annual.

USD 50,000 (100%) annual, in respect of TRIA, if required.

**PAYMENT TERMS:**

PPC4 (TOR) 4/86 Direct (45 days) 713NHG00424.  
Any extensions to the Premium Payment Condition to be agreed by the Slip Leader only.

**TAXES PAYABLE BY  
THE INSURED AND  
ADMINISTERED BY  
INSURERS:**

None Applicable

**INSURER  
CONTRACT****DOCUMENTATION:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document.

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Checked



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QRPRPNA08001500000100003

12/26/18/08.



**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%)**

(To apply Per Occurrence Unless Otherwise Stated)

USD50,000 per occurrence subject to a plus aggregate additional retention of USD500,000;  
USD50,000 per occurrence applies after the aggregate is exceeded. Only amounts in excess of  
USD50,000 apply to the aggregate. Earthquake and Named Windstorm losses do not apply to the  
erosion of the aggregate.

**Named Storm (1<sup>st</sup> Tier Wind)**

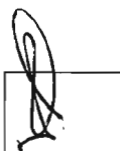
5% of the Total Insured Values at each location at the time of loss, subject to a minimum of  
USD250,000.

As defined in the Policy Wording.

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12/26/18

**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**SCHEDULE OF PROGRAM SUBLIMITS (FOR 100%)**

(To apply Per Occurrence Unless Otherwise Stated and Excess of the Primary Policy  
Deductibles)

Earthquake in the Aggregate during the period of insurance	USD30,000,000
Flood in the Aggregate during the period of insurance	USD30,000,000
Extra Expense	USD1,000,000
Electronic Data Processing Media	USD1,000,000
Debris Removal	USD1,000,000 or 25% of loss. Whichever is greater
Pollutant Cleanup	USD100,000
Trees and Shrubs	USD1,000,000
Property in the Course of Construction	USD25,000,000
Miscellaneous Unnamed Locations	USD1,000,000
Accounts Receivable	USD1,000,000
Newly Acquired, constructed or renovated property 90 days reporting.	USD25,000,000
Valuable Papers	USD1,000,000
Unintentional Errors and Omissions	USD1,000,000
Expediting Expense	USD1,000,000
Transit	USD100,000
Personal Property of employees (personal effects)	USD1,000,000
Personal Effects in the Insured's care, custody, control	USD1,000,000
Fine Arts	USD1,000,000

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**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

Contingent Business Interruption	USD1,000,000
Loss Preparation Costs	USD1,000,000
Mold	USD1,000,000 12 months time limit.
Fire Department Charges	USD250,000
Off site storage	USD1,000,000
Off Premises Power Failure	USD25,000,000
Civil and/or Military Authority	30 Days
Ingress / Egress	30 Days
Extended Period of Indemnity	365 Days
Ordinance or Law	Programme Limit
Including:	
Increased Cost of Construction	USD5,000,000
Demolition	USD5,000,000
Loss to Undamaged Portion of Building	Programme Limit

As defined in the Policy Wording.

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12/26/08



Policy Number

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## INFORMATION

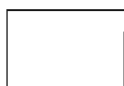
As per Lockton Companies International Limited Underwriting Submission dated July 2008, which seen, noted, understood and agreed by Underwriters hereon and held on file at Lockton Companies International Limited.

**Total Insurable Values: USD581,061,752**

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12/26/08

**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**SECURITY DETAILS****INSURER'S  
LIABILITY:****(RE)INSURERS LIABILITY CLAUSE****(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

**Proportion of liability**

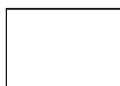
Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to

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**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333

21 June 2007

**ORDER HEREON:** 100% of 100% (or to be advised to Slip Leader, by e-mail, prior inception)

**BASIS OF WRITTEN LINES:** Percentage of Whole

**SIGNING PROVISIONS:**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the insured may elect for the disproportionate signing of insurers' lines, without further specific agreement of insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those insurers;
- c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date

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**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

of the period of insurance, by the documented agreement of the insured and all insurers whose lines are to be varied. The variation to the contracts will take effect only when all such insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

**LINE CONDITIONS:**    None

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*Handwritten signature and date: 12/26/02*



Policy Number

PRPNA0800150

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American Housing Foundation

Unique market reference number

B0713PRPNA0800150

SIGNED LINES:

WRITTEN LINES:

12.5% **A** **WEH.** **AML** 26/8/08  
**AMLIN** **2001** 8/9/08 **WON**  

N	B	K	2	9	9	1	7	0	8	5	3
---	---	---	---	---	---	---	---	---	---	---	---

**NON-MARINE**

12½% **H** **Heritage** 22/8/08  
**Property** **HMA** 1200  

1	6	1	8	3	0	8	A	R	0	0	0
---	---	---	---	---	---	---	---	---	---	---	---

For your information:  
Aggregates to 1200@heritage-plc.com

10% **MMX** 2010  

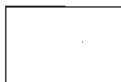
D	0	8	W	5	2	5	0	A	0	0	1
---	---	---	---	---	---	---	---	---	---	---	---

 4.9.08

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Policy Number

PRPNA0800150

Assured / account

American Housing Foundation

Unique market reference number

B0713PRPNA0800150

SIGNED LINES:

WRITTEN LINES:

59  
7 1/2% TAL 1183  
ACK 793 6 A 8

7 1/2% MSP 318  
367 4 8 L 6 X  
RNL 08.09.2008  
SUBJECT LOSSES INCREASING  
BY NO MORE THAN \$100,000  
POOL RENEWAL DATE.

7 1/2%  
Syndicate 1206 SAL 1206  
08 E 0 6 6 8 3 A N N O

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Policy Number

PRPNA0800150

Assured / account

American Housing Foundation

Unique market reference number

B0713PRPNA0800150

SIGNED LINES:

WRITTEN LINES:

7 1/2 %

**Chaucer**  
Non-Marine

CSL 1084

5 5 0 8 3 D 0 8 A A

*[Signature]*

7.50l.

QBE

8.9.08

QBP 2000

8 0 8 S 0 0 1 2 4 1 3 1

QBP Syndicate 2000 is part of Syndicate 2999  
Email: property2000@uk.qbe.com

*[Signature]*

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Policy Number

PRPNA0800150

Assured / account


American Housing Foundation

Unique market reference number

B0713PRPNA0800150

SIGNED LINES:

WRITTEN LINES:

51.     
J E I 7 7 Z 0 8 A 0 0 0

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Policy Number

PRPNA0800150

Assured / account


American Housing Foundation

Unique market reference number

B0713PRPNA0800150


SIGNED LINES:

WRITTEN LINES:

*7 1/2 9*  
*08*  
*07*  
*08*  
*1/2 08*  
  
*ascot*  
*RTH*  
*1414*  

1	1	4	8	0	2	7	9	5	A	2	X
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Aggs to property@ascotuw.com  
Line to stand  
*h*

*5*  
  
**HISCOX**  
*3/9/08*  
*HIS*  
*33*  

8	6	4	9	S	G	2	A	A	R	R	A
---	---	---	---	---	---	---	---	---	---	---	---

  
*No PRPNA 100%*  
*h*

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Policy Number

PRPNA0800150

Assured / account


American Housing Foundation

Unique market reference number

B0713PRPNA0800150

SIGNED LINES:

WRITTEN LINES:

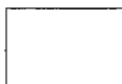
*2 1/2% AEGIS*  
*As 2/8*  **AEGIS**  
*Anchor* **AES**  
**1225**  

0	8	N	1	2	8	9	9	F	A	2	P
---	---	---	---	---	---	---	---	---	---	---	---

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**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**RISK DETAILS****UNIQUE MARKET  
REFERENCE:**

B0713PRPNA0800150

**TYPE:**

ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE, as more fully defined in the Policy Wording.

**INSURED:**

**American Housing Foundation** and/or any owned, controlled, associated, affiliated and subsidiary companies including but not limited to joint ventures, partnerships, investments and other interests of the Named Insured but solely as respects the interests of the Named Insured and including automatically the interests of any parent, trust, corporation, owner, entity, or individual in the Named Insured, as more fully defined in the Policy Wording.

**ADDRESS:**

1800 S. Washington, Suite 311, Amarillo, Texas 79102-2668

**PERIOD:**

From 29<sup>th</sup> September 2008 to 29<sup>th</sup> September 2009 both days at 12.01 a.m. Standard Time at the location of the property insured (or date and/or period to be agreed by the Slip Leader only).

**INTEREST:**

REAL AND PERSONAL PROPERTY, BUSINESS INTERRUPTION, as more fully defined in the Policy Wording.

**SUM INSURED:**

USD25,000,000 per occurrence and in the annual aggregate separately in respect of the perils of Flood and Earthquake.

**EXCESS OF**

Various deductible amounts as set forth in the attached Schedule of Primary Policy Deductibles.

As more fully defined in the Policy Wording.

**SITUATION:**

This Policy covers loss occurring anywhere within the United States of America, including whilst in due course of transit.

**CONDITIONS:**

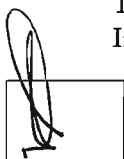
Policy Wording as expiring (being Lockton Companies International Limited Policy No. 713/PRPNA07000150) with amendments, if any, detailed herein.

The Policy Wording includes the following:  
Including Boiler Explosion and Machinery Breakdown.

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10/26/08  
10/26/08

**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**CONDITIONS  
CONTINUED:**

Newly Acquired Property limited to USD25,000,000 per location  
and to be reported within 90 days.

Quarterly Adjustment Clause.

90 days Notice of Cancellation Clause.

Loss Adjustment Expenses Clause.

Demolition and Increased Cost of Construction / Ordinance or Law  
Clause.

Services Interruption / Off Premises Power Clause.

Unintentional Errors and Omissions Clause.

Including Unlimited Vacancy.

Decontamination Clause.

Consequential Loss Clause.

Including Miscellaneous Unnamed Locations.

Schedule of Program Sub-limits (for 100%) as attached.

Coverage for property in the course of construction is limited to  
projects with Final Contract Values not exceeding USD25,000,000  
per location.

Pollutant Clean Up Clause.

The assigned adjuster for all losses will be Engle Martin and  
Associates.

Civil and/or Military Authority limited to 30 days.

Ingress / Egress limited to 30 days.

Preservation of property Clause.

365 days Extended Period of Indemnity.

Replacement Cost / Capital Expenditure / Actual Loss Sustained  
basis of valuation.

Loss Payees and/or Mortgagees and/or Additional Named Insured's  
automatically agreed hereon as and where applicable without advice.

Agree, if required, to allow agent to issue Certificates and/or  
Verifications and/or Evidence of Insurance without advice.

MAP Mold, Mildew and Fungus Clause and Micro-organism  
Exclusion ((12 months Time Limit and USD1,000,000 Sub-limit).

LMA 5091 U.S. Terrorism Risk Insurance Act of 2002 as amended  
New & Renewal Business Endorsement. LMA 5092 U.S. Terrorism  
Risk Insurance Act of 2002 as amended Not Purchased Clause to  
apply if no formal confirmation received from the Insured prior to  
inception.

Debris Removal Clause

NMA 2918 War and Terrorism Exclusion.

NMA 2962 Biological or Chemical Materials Exclusion.

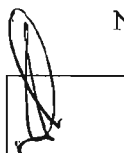
LMA 5019 Asbestos Endorsement.

NMA 2915 Electronic Data Endorsement B.

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**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**CONDITIONS  
CONTINUED:**

NMA 2802 Electronic Date Recognition Exclusion (EDRE).  
Joint Loss Agreement, if required.  
Radioactive Contamination Clause.  
Third Party Deductible Requirements.  
LMA5062 – Fraudulent Claims Clause.  
LSW1022A – Texas Complaints Notice.

**SUBJECTIVITIES:**

None.

**CHOICE OF LAW &  
JURISDICTION:**

Jurisdiction: LMA5020 Service of Suit (U.S.A.) naming Mendes and Mount, NY.

Law: This Policy shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit clause within this Policy.

**PREMIUM:**

USD 1,387,500 (100%) annual.

USD 50,000 (100%) annual, in respect of TRIA, if required.

**PAYMENT TERMS:**

PPC4 (TOR) 4/86 Direct (45 days) 713NHG00424.  
Any extensions to the Premium Payment Condition to be agreed by the Slip Leader only.

**TAXES PAYABLE BY  
THE INSURED AND  
ADMINISTERED BY  
INSURERS:**

None Applicable

**INSURER  
CONTRACT****DOCUMENTATION:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document.

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12/26/18/08.



**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%)**

(To apply Per Occurrence Unless Otherwise Stated)

USD50,000 per occurrence subject to a plus aggregate additional retention of USD500,000;  
USD50,000 per occurrence applies after the aggregate is exceeded. Only amounts in excess of  
USD50,000 apply to the aggregate. Earthquake and Named Windstorm losses do not apply to the  
erosion of the aggregate.

**Named Storm (1<sup>st</sup> Tier Wind)**

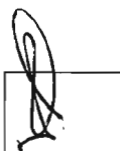
5% of the Total Insured Values at each location at the time of loss, subject to a minimum of  
USD250,000.

As defined in the Policy Wording.

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12/26/18

**Policy Number**

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**SCHEDULE OF PROGRAM SUBLIMITS (FOR 100%)**

(To apply Per Occurrence Unless Otherwise Stated and Excess of the Primary Policy  
Deductibles)

Earthquake in the Aggregate during the period of insurance	USD30,000,000
Flood in the Aggregate during the period of insurance	USD30,000,000
Extra Expense	USD1,000,000
Electronic Data Processing Media	USD1,000,000
Debris Removal	USD1,000,000 or 25% of loss. Whichever is greater
Pollutant Cleanup	USD100,000
Trees and Shrubs	USD1,000,000
Property in the Course of Construction	USD25,000,000
Miscellaneous Unnamed Locations	USD1,000,000
Accounts Receivable	USD1,000,000
Newly Acquired, constructed or renovated property 90 days reporting.	USD25,000,000
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Unintentional Errors and Omissions	USD1,000,000
Expediting Expense	USD1,000,000
Transit	USD100,000
Personal Property of employees (personal effects)	USD1,000,000
Personal Effects in the Insured's care, custody, control	USD1,000,000
Fine Arts	USD1,000,000

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**Policy Number**

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Contingent Business Interruption	USD1,000,000
Loss Preparation Costs	USD1,000,000
Mold	USD1,000,000 12 months time limit.
Fire Department Charges	USD250,000
Off site storage	USD1,000,000
Off Premises Power Failure	USD25,000,000
Civil and/or Military Authority	30 Days
Ingress / Egress	30 Days
Extended Period of Indemnity	365 Days
Ordinance or Law	Programme Limit
Including:	
Increased Cost of Construction	USD5,000,000
Demolition	USD5,000,000
Loss to Undamaged Portion of Building	Programme Limit

As defined in the Policy Wording.

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12/26/08



Policy Number

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## INFORMATION

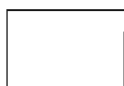
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**Total Insurable Values: USD581,061,752**

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**Policy Number**

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**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**SECURITY DETAILS****INSURER'S  
LIABILITY:****(RE)INSURERS LIABILITY CLAUSE****(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

**Proportion of liability**

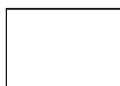
Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to

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*12/26/08*

**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333

21 June 2007

**ORDER HEREON:** 100% of 100% (or to be advised to Slip Leader, by e-mail, prior inception)

**BASIS OF WRITTEN LINES:** Percentage of Whole

**SIGNING PROVISIONS:**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the insured may elect for the disproportionate signing of insurers' lines, without further specific agreement of insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those insurers;
- c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date

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**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

of the period of insurance, by the documented agreement of the insured and all insurers whose lines are to be varied. The variation to the contracts will take effect only when all such insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

**LINE CONDITIONS:**    None

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*Handwritten signature and date: 12/26/10*



Policy Number

PRPNA0800150

Assured / account

American Housing Foundation

Unique market reference number

B0713PRPNA0800150

SIGNED LINES:

WRITTEN LINES:

12.5% **A** **WEH** **AML** 26/8/08  
**AMLIN** **2001** 8/9/08 **WON**  

N	B	K	2	9	9	1	7	0	8	5	3
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**NON-MARINE**

12 1/2% **H** **Heritage** 22/8/08  
**Property** **HMA** 1200  

1	6	1	8	3	0	8	A	R	0	0	0
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For your information:  
Aggregates to 1200@heritage-plc.com

10% **MMX** 2010  

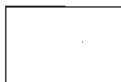
D	0	8	W	5	2	5	0	A	0	0	1
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 4.9.08

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Policy Number

PRPNA0800150

Assured / account

American Housing Foundation

Unique market reference number

B0713PRPNA0800150

SIGNED LINES:

WRITTEN LINES:

59  
7 1/2% TAL 1183  
ACK 793 6 A 8

7 1/2% MSP 318  
367 4 5 8 L 6 X  
DNL 08.09.2008  
SUBJECT LOSSES INCREASING  
BY NO MORE THAN \$100,000  
POOL RENEWAL DATE.

1/9/08  
Syndicate 1206 SAL 1206  
08 E 0 6 6 8 3 A N N O  
7 1/2%

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Policy Number

PRPNA0800150

Assured / account

American Housing Foundation

Unique market reference number

B0713PRPNA0800150

SIGNED LINES:

WRITTEN LINES:

7 1/2 %

**Chaucer**  
Non-Marine

CSL 1084

5 5 0 8 3 D 0 8 A A

*[Signature]*

7.50l.

QBE

8.9.08

QBP 2000

8 0 8 S 0 0 1 2 4 1 3 1

QBP Syndicate 2000 is part of Syndicate 2999  
Email: property2000@uk.qbe.com

*[Signature]*

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PRPNA0800150

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SIGNED LINES:

WRITTEN LINES:

51.     
J E I 7 7 Z 0 8 A 0 0 0

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Policy Number

PRPNA0800150

Assured / account


American Housing Foundation

Unique market reference number

B0713PRPNA0800150


SIGNED LINES:

WRITTEN LINES:

*7 1/2 9*  
*08*  
*07*  
*08*  
*1/2 08*  
  
*ascot*  
*RTH*  
*1414*  

1	1	4	8	0	2	7	9	5	A	2	X
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Aggs to property@ascotuw.com  
Line to stand  
*h*

*5*  
  
**HISCOX**  
*3/9/08*  
*HIS*  
*33*  

8	6	4	9	S	G	2	A	A	R	R	A
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*No PRPNA 100%*  
*h*

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Policy Number

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Assured / account


American Housing Foundation

Unique market reference number

B0713PRPNA0800150

SIGNED LINES:

WRITTEN LINES:

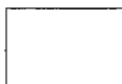
*2 1/2% A & 2/8*  **AEGIS**  
**AES**  
**1225**  

0	8	N	1	2	8	9	9	F	A	2	P
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**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**RISK DETAILS****UNIQUE MARKET  
REFERENCE:**

B0713PRPNA0800150

**TYPE:**

ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE, as more fully defined in the Policy Wording.

**INSURED:**

**American Housing Foundation** and/or any owned, controlled, associated, affiliated and subsidiary companies including but not limited to joint ventures, partnerships, investments and other interests of the Named Insured but solely as respects the interests of the Named Insured and including automatically the interests of any parent, trust, corporation, owner, entity, or individual in the Named Insured, as more fully defined in the Policy Wording.

**ADDRESS:**

1800 S. Washington, Suite 311, Amarillo, Texas 79102-2668

**PERIOD:**From 29<sup>th</sup> September 2008 to 29<sup>th</sup> September 2009 both days at 12.01 a.m. Standard Time at the location of the property insured (or date and/or period to be agreed by the Slip Leader only).**INTEREST:**

REAL AND PERSONAL PROPERTY, BUSINESS INTERRUPTION, as more fully defined in the Policy Wording.

**SUM INSURED:**

USD25,000,000 per occurrence and in the annual aggregate separately in respect of the perils of Flood and Earthquake.

**EXCESS OF**

Various deductible amounts as set forth in the attached Schedule of Primary Policy Deductibles.

As more fully defined in the Policy Wording.

**SITUATION:**

This Policy covers loss occurring anywhere within the United States of America, including whilst in due course of transit.

**CONDITIONS:**

Policy to be Worded "Subject to all terms, clauses and Conditions as per Co-insuring Companies Policy Wording." Agreement of Co-insuring Companies Policy Wording issued by Lloyd's Syndicate AML 2001 and referenced PRPNA0800150, waived hereon.

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[Signature]

**Policy Number**

PRPNA0800150

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**Unique market reference number**

B0713PRPNA0800150

**CONDITIONS  
CONTINUED:**

The Policy Wording includes the following:

Including Boiler Explosion and Machinery Breakdown.

Newly Acquired Property limited to USD25,000,000 per location and to be reported within 90 days.

Quarterly Adjustment Clause.

90 days Notice of Cancellation Clause.

Loss Adjustment Expenses Clause.

Demolition and Increased Cost of Construction / Ordinance or Law Clause.

Services Interruption / Off Premises Power Clause.

Unintentional Errors and Omissions Clause.

Including Unlimited Vacancy.

Decontamination Clause.

Consequential Loss Clause.

Including Miscellaneous Unnamed Locations.

Schedule of Program Sub-limits (for 100%) as attached.

Coverage for property in the course of construction is limited to projects with Final Contract Values not exceeding USD25,000,000 per location.

Pollutant Clean Up Clause.

The assigned adjuster for all losses will be Engle Martin and Associates.

Civil and/or Military Authority limited to 30 days.

Ingress / Egress limited to 30 days.

Preservation of property Clause.

365 days Extended Period of Indemnity.

Replacement Cost / Capital Expenditure / Actual Loss Sustained basis of valuation.

Loss Payees and/or Mortgagees and/or Additional Named Insured's automatically agreed hereon as and where applicable without advice.

Agree, if required, to allow agent to issue Certificates and/or Verifications and/or Evidence of Insurance without advice.

MAP Mold, Mildew and Fungus Clause and Micro-organism Exclusion ((12 months Time Limit and USD1,000,000 Sub-limit).

LMA 5091 U.S. Terrorism Risk Insurance Act of 2002 as amended New & Renewal Business Endorsement. LMA 5092 U.S. Terrorism Risk Insurance Act of 2002 as amended Not Purchased Clause to apply if no formal confirmation received from the Insured prior to inception.

Debris Removal Clause

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**Policy Number**

PRPNA0800150

**Assured / account**

American Housing Foundation

**Unique market reference number**

B0713PRPNA0800150

**CONDITIONS  
CONTINUED:**

NMA 2918 War and Terrorism Exclusion.  
NMA 2962 Biological or Chemical Materials Exclusion.  
LMA 5019 Asbestos Endorsement.  
NMA 2915 Electronic Data Endorsement B.  
NMA 2802 Electronic Date Recognition Exclusion (EDRE).  
Joint Loss Agreement, if required.  
Radioactive Contamination Clause.  
Third Party Deductible Requirements.  
LMA5062 – Fraudulent Claims Clause.  
LSW1022A – Texas Complaints Notice.

**SUBJECTIVITIES:**

None.

**CHOICE OF LAW &  
JURISDICTION:**

Jurisdiction: LMA5020 Service of Suit (U.S.A.) naming Mendes and Mount, NY.

Law: This Policy shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit clause within this Policy.

**PREMIUM:**

USD 1,387,500 (100%) annual.

USD 50,000 (100%) annual, in respect of TRIA, if required.

**PAYMENT TERMS:**

PPC4 (TOR) 4/86 Direct (45 days) 713NHG00424.  
Any extensions to the Premium Payment Condition to be agreed by the Slip Leader only.

**TAXES PAYABLE BY  
THE INSURED AND  
ADMINISTERED BY  
INSURERS:**

None Applicable

**INSURER  
CONTRACT  
DOCUMENTATION:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document.

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Policy Number

PRPNA0800150

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American Housing Foundation

Unique market reference number

B0713PRPNA0800150

### SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%)

(To apply Per Occurrence Unless Otherwise Stated)

USD50,000 per occurrence subject to a plus aggregate additional retention of USD500,000; USD50,000 per occurrence applies after the aggregate is exceeded. Only amounts in excess of USD50,000 apply to the aggregate. Earthquake and Named Windstorm losses do not apply to the erosion of the aggregate.

#### Named Storm (1<sup>st</sup> Tier Wind)

5% of the Total Insured Values at each location at the time of loss, subject to a minimum of USD250,000.

As defined in the Policy Wording.

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Policy Number

PRPNA0800150

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### SCHEDULE OF PROGRAM SUBLIMITS (FOR 100%)

(To apply Per Occurrence Unless Otherwise Stated and Excess of the Primary Policy Deductibles)

Earthquake in the Aggregate during the period of insurance	USD30,000,000
Flood in the Aggregate during the period of insurance	USD30,000,000
Extra Expense	USD1,000,000
Electronic Data Processing Media	USD1,000,000
Debris Removal	USD1,000,000 or 25% of loss, Whichever is greater
Pollutant Cleanup	USD100,000
Trees and Shrubs	USD1,000,000
Property in the Course of Construction	USD25,000,000
Miscellaneous Unnamed Locations	USD1,000,000
Accounts Receivable	USD1,000,000
Newly Acquired, constructed or renovated property 90 days reporting.	USD25,000,000
Valuable Papers	USD1,000,000
Unintentional Errors and Omissions	USD1,000,000
Expediting Expense	USD1,000,000
Transit	USD100,000
Personal Property of employees (personal effects)	USD1,000,000
Personal Effects in the Insured's care, custody, control	USD1,000,000
Fine Arts	USD1,000,000

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Policy Number

PRPNA0800150

Assured / account

American Housing Foundation

Unique market reference number

B0713PRPNA0800150

Contingent Business Interruption	USD1,000,000
Loss Preparation Costs	USD1,000,000
Mold	USD1,000,000 12 months time limit.
Fire Department Charges	USD250,000
Off site storage	USD1,000,000
Off Premises Power Failure	USD25,000,000
Civil and/or Military Authority	30 Days
Ingress / Egress	30 Days
Extended Period of Indemnity	365 Days
Ordinance or Law Including: Increased Cost of Construction Demolition Loss to Undamaged Portion of Building	Programme Limit USD5,000,000 USD5,000,000 Programme Limit
As defined in the Policy Wording.	

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Policy Number

PRPNA0800150

Assured / account

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Unique market reference number

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## INFORMATION

As per Lockton Companies International Limited Underwriting Submission dated July 2008, which seen, noted, understood and agreed by Underwriters hereon and held on file at Lockton Companies International Limited.

**Total Insurable Values: USD581,061,752**

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Policy Number

PRPNA0800150

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Unique market reference number

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## SECURITY DETAILS

### INSURER'S LIABILITY:

#### (RE)INSURERS LIABILITY CLAUSE

##### **(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

##### **Proportion of liability**

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to

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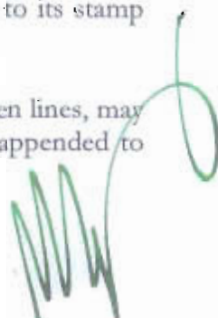


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Policy Number

PRPNA0800150

Assured / account

American Housing Foundation

Unique market reference number

B0713PRPNA0800150

this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333

21 June 2007

ORDER HEREON:

7.5 % of 100% (or to be advised to Slip Leader, by e-mail, prior inception)

BASIS OF WRITTEN  
LINES:

Percentage of Whole

SIGNING  
PROVISIONS:

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- the insured may elect for the disproportionate signing of insurers' lines, without further specific agreement of insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those insurers;
- the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date

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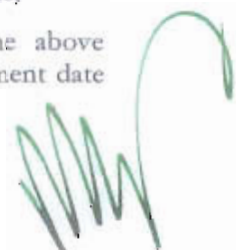


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Policy Number

PRPNA0800150

Assured / account

American Housing Foundation

Unique market reference number

B0713PRPNA0800150

of the period of insurance, by the documented agreement of the insured and all insurers whose lines are to be varied. The variation to the contracts will take effect only when all such insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

LINE CONDITIONS: None

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Policy Number

PRPNA0800150

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American Housing Foundation

Unique market reference number

B0713PRPNA0800150

SIGNED LINES:

WRITTEN LINES:

7 1/2'

MW 9/8 1/8 08 MAP 2791  
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A2008HA07074  
(05) (100')

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## ALL RISK POLICY

### American Housing Foundation

AND/OR ANY OWNED, CONTROLLED, ASSOCIATED, AFFILIATED AND SUBSIDIARY COMPANIES INCLUDING BUT NOT LIMITED TO JOINT VENTURES, PARTNERSHIPS, INVESTMENTS AND OTHER INTERESTS OF THE NAMED INSURED BUT SOLELY AS RESPECTS THE INTERESTS OF THE NAMED INSURED AND INCLUDING AUTOMATICALLY THE INTERESTS OF ANY PARENT, TRUST, CORPORATION, OWNER, ENTITY, OR INDIVIDUAL IN THE NAMED INSURED AND ANY PARTY IN INTEREST WHICH THE INSURED IS RESPONSIBLE TO INSURE HEREINAFTER REFERRED TO AS "THE INSURED".

1800 S. Washington, Suite 311, Amarillo, Texas 79102-2668

1. COMPANY AND POLICY NUMBER

Certain Underwriters at Lloyd's of London: PRPNA0800150

2. BROKER

Denver Series of Lockton Companies, LLC  
8110 East Union Avenue, Suite 700  
Denver, CO 80237

3. TERM OF INSURANCE

In consideration of an annual premium of USD1,387,500 (100%) this policy attaches and covers for a period of one year, from September 29, 2008 to September 29, 2009 both days at 12:01 A. M., standard time, at the location of the property insured.

4. PARTICIPATION

This policy covers for a 100 percent interest in this insurance, meaning 100 percent of USD25,000,000 excess of the policy deductibles. The Underwriters shall not be liable for more than these percentages.

5. PREMIUM AND PREMIUM ADJUSTMENT

The premium at inception of this policy is based upon values submitted to the Underwriters at inception. Changes in values will be submitted quarterly and additional or return premiums will be calculated at that time.

6. LOSS PAYABLE

Loss, if any, shall be adjusted with and payable to American Housing Foundation or their order, whose receipt shall constitute a release in full of all liability under this policy with respect to such loss.

7. TERRITORY

This policy covers loss occurring anywhere within the United States of America, including while in due course of transit.

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## 8. LIMITS OF LIABILITY

The Underwriters shall not be liable for more than their proportion of their layer as shown in Section 4, Participation, of the following program limits:

The sublimits of liability specified below are program sublimits of liability and are part of not in addition to the program limits over this Policy and all other program policies combined. The sublimits of liability apply in the aggregate on a per occurrence basis unless otherwise specified for all locations and coverages combined.

USD100,000,000 per occurrence with respect to all property and perils, except as follows;

USD 30,000,000 Flood in the aggregate during the policy period

USD 30,000,000 Earthquake in the aggregate during the policy period

USD 1,000,000 Accounts Receivable.

30 Days Civil or Military Authority.

USD 25,000,000 Property under Course of Construction, ~~per location~~

*limited to projects with Final Contract  
Values not exceeding USD 25m  
per location.*

USD 1,000,000 Debris Removal, or 25 % of the Property Damage Loss, whichever is greater.

USD 1,000,000 Electronic Data Processing Media

USD 1,000,000 Unintentional Errors and Omissions.

USD 1,000,000 Extra Expense

USD 1,000,000 Expediting Expenses.

365 Days Extended Period of Indemnity.

USD 1,000,000 Fine Arts.

USD 1,000,000 Trees and Shrubs

USD 1,000,000 Loss Adjuster Expense

30 Days Ingress/Egress.

USD 25,000,000 Newly Acquired, constructed or renovated property  
90 Days reporting

USD 100,000 Pollutant Clean-up

USD 25,000,000 Off Premises Power Failure.

USD 100,000 Property in Transit.

USD 1,000,000 Mold (12 months time limit)

USD 1,000,000 Miscellaneous unnamed locations

USD 1,000,000 Valuable Papers and Records

Program Limit Ordinance or Law

Including:

USD 5,000,000 Increased Cost of Construction

USD 5,000,000 Demolition

Program Limit Loss to Undamaged Portion of Building

USD 250,000 Fire Department Charges

USD 1,000,000 Off Site Storage

USD 1,000,000 Personal Property of employees (personal effects)

USD 1,000,000 Personal Effects in the Insured's care, custody, control

USD 1,000,000 Contingent Business Interruption

Even if the peril of Flood or Earthquake is the predominant cause of loss or damage, any ensuing loss or damage caused by Named Perils shall not be subject to the sub-limits or annual aggregate limits for Flood and Earthquake specified above.

9. DEDUCTIBLE

In each loss covered by this policy, the Underwriters will be liable only if the Insured sustains a loss in a single occurrence greater than the applicable deductible specified below, and only for their share of that greater amount.

Unless otherwise stated below:

- A. When this policy insures more than one location, the deductible will apply against the total loss covered by this policy in any one occurrence.
- B. If two or more deductibles provided in this policy apply to a single occurrence, the total to be deducted will not exceed the largest deductible applicable, unless otherwise provided.

Specific deductibles:

USD50,000 per occurrence subject to a plus aggregate additional retention of USD500,000; USD50,000 per occurrence applies after the aggregate is exceeded. Only amounts in excess of USD50,000 apply to the aggregate. Earthquake and Named Windstorm losses do not apply to the erosion of the aggregate.

**Named Storm (1<sup>st</sup> Tier Wind)**

5% of the total Insured values at each location at the time of loss, subject to a minimum of USD250,000

10. PERILS INSURED AGAINST

This policy insures against all risk of direct physical loss of or damage during the policy term to property insured herein including general average, salvage, and all other charges on shipments covered hereunder, except as hereinafter excluded.

11. PERILS EXCLUDED

This policy does not insure:

- A. Against any fraudulent or dishonest act or acts committed by the Insured or any of the Insured's employees meaning only dishonest or fraudulent acts committed by the Insured or the Insured's employees with the manifest intent to:

- (1) Cause the Insured to sustain such loss; and

- (2) Obtain financial benefit for the Insured, Insured's employee, or for any other person or organization intended by the Insured or the employee to receive such benefit.

However, willful or malicious act(s) which cause physical loss, damage or expense to the Insured's property covered hereunder shall not be deemed to be a fraudulent or dishonest act.

- B. Against the cost of making good defective design or specifications, faulty material, or faulty workmanship; however, this exclusion shall not apply to ensuing physical loss or damage by a peril insured against hereunder resulting from such defective design or specifications, faulty material, or faulty workmanship.
- C. Against errors in processing or manufacture of the Insured's product unless physical loss or damage from a peril insured herein ensues and then this policy shall cover for such ensuing loss or damage.
- D. Against inherent vice, latent defect, ordinary wear and tear, or gradual deterioration unless other physical loss or damage from a peril insured against herein ensues and then this policy shall cover for ensuing loss or damage.



- E. Dampness or dryness of atmosphere, or extremes of humidity unless caused by a peril not otherwise excluded or unless physical loss or damage not otherwise excluded ensues and then this policy shall cover for such ensuing loss or damage.
- F. Corrosion, rust, mold, wet or dry rot and loss or damage caused by or resulting from insects, vermin, settling, cracking, shrinkage, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings, unless caused by a peril not otherwise excluded or unless physical loss or damage not otherwise excluded ensues and then this policy shall cover for such ensuing loss or damage.
- G. Against nuclear reaction, nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate, or remote; or be in whole or in part caused by, contributed to, or aggravated by the peril(s), insured against in this policy except:
- (1) If fire ensues, liability is specifically assumed for direct loss by such ensuing fire but not including any loss due to nuclear reaction, nuclear radiation, or radioactive contamination.
  - (2) The Underwriters shall be liable for loss or damage caused by sudden and accidental radioactive contamination including resultant radiation damage for each occurrence from material used or stored or from processes conducted on insured premises provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction nor any new or used nuclear fuel on the insured premises.
- H. (1) Against hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:
- (a) By any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces.
  - (b) Or by military, naval, or air forces.
  - (c) Or by an agent of any such government, power, authority, or forces.
- (2) Against any weapon employing atomic fission or fusion.
- (3) Against rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, defending against such occurrence.
- (4) Seizure or destruction by order of public authority, except destruction by order of public authority to prevent the spread of, or to otherwise contain, control or minimize loss, damage or destruction which occurs due to a peril insured against this policy.
- (5) Risks of contraband or illegal trade.



- I. Against unexplained or mysterious disappearance or shortage that is part of any loss, of inventory the proof of which, either as to its factual existence or as to its amount, is solely dependent upon an inventory computation or enumeration, a comparison of inventory records with an actual physical count of inventory, or upon a profit and loss computation in order to establish either theft or the amount of any loss.
- J. Against delay or loss of market; loss of bonuses or penalties for noncompletion of (including delay in completion of) any contract conditions (or noncompliance with any contract conditions); fines, penalties or punitive damages, or any costs incurred to eliminate or reduce any of the foregoing.
- K. Against electrical injury or disturbance to electrical appliances, devices, or wiring caused by electrical currents artificially generated unless physical loss or damage from a peril insured herein ensues and this policy shall cover for such ensuing loss or damage.
- L. Against mechanical breakdown unless physical loss or damage from peril insured herein ensues and then this policy shall cover for ensuing loss or damage.
- M. Against explosion, rupture, or bursting of steam boilers, steam pipes, steam turbines, or steam engines owned or operated by the Insured unless physical loss or damage from a peril insured herein ensues and then this policy shall cover for such ensuing loss or damage; it is agreed that direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of any fired vessel or within the flues or passages which conduct the gases or combustion there from shall be covered hereunder.
- N. Loss, damage, destruction, distortion, erasure, corruption or alteration of "electronic data" from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss. However, in the event that a fire or explosion results from any of the matters described in this paragraph, this policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the policy period to property insured by this policy directly caused by fire and explosion.

Exclusions K, L and M shall not apply to Electronic Data Processing Equipment, Media and Data.

## 12. COVERAGE

Except as hereinafter excluded, this policy covers:

Real and Personal Property, including:

- A. The interest of the Insured in real and personal property (including improvements and betterments) owned or used by the Insured, or hereafter constructed, erected, installed, or acquired, including while in course of construction, erection, installation, and assembly. In the event of loss or damage, this Company agrees to accept and consider the Insured as sole and unconditional owner of improvements and betterments, notwithstanding any contract or leases to the contrary.
- B. The interest of the Insured in the real and/or personal property of others in the Insured's care, custody, or control for which the insured is legally liable or has agreed to insure.



- C. Real and personal property of others for which the Insured may be legally liable, or for which the Insured may assume liability, or for which the Insured is responsible for, or has agreed to insure prior to a loss, or for which the Insured's liability is imposed by law or assumed by contract, whether or not such property is in the Insured's care, custody, or control.
- D. At the option of the Insured, personal property of the Insured's officials, employees while on the premises of the Insured.
- E. Contractors' and vendors' interest in property covered to the extent of the Insured's liability imposed by law or assumed by contract, whether written or oral.
- F. The cost of architects', surveyors', inspectors' and or engineers' plans, drawings, specifications, fees, and charges including the cost for supervision of construction and repair of damages.
- G. The interest of the Insured in property sold by the Insured under conditional sale, trust agreement, installment plan or other deferred payment plan including property which is leased to customers under a lease/purchase agreement.

### 13. PROPERTY EXCLUDED

This policy does not cover loss or damage to:

- A. Money and securities, accounts, bills, currency, deeds, evidences of debt or notes (except as otherwise provided for by Valuable Papers and Accounts Receivable coverages).
- B. Land; however, this exclusion shall not apply to the cost of reclaiming, restoring or repairing land improvements. Land improvements are defined as any alteration to the natural condition of the land by grading, landscaping, earthen dikes or dams, and additions to land such as pavements, roadways, or similar works.
- C. Water; except water that is normally contained within any type of tank, piping system or other process equipment.
- D. Motor vehicles licensed for highway use when not on the Insured's premises, but this exclusion shall not apply to contractor's equipment.
- E. Growing crops, standing timber and animals, except this exclusion shall not apply to animals used for research.
- F. Watercraft, aircraft, spacecraft and satellites.
- G. Waterborne shipments to and from Puerto Rico, the Virgin Islands, Hawaii, and Alaska; waterborne shipments via the Panama Canal.
- H. Export shipments after loading on board an overseas vessel or watercraft or after ocean marine insurance attaches, whichever occurs first; and import shipments prior to discharge from the overseas vessel or watercraft or until the ocean marine insurance terminates, whichever occurs last.
- I. Dams or dikes, docks, piers and wharves.
- J. Underground mines, caverns and any property contained therein.
- L. Overhead transmission and distribution lines in excess of 1,000 feet from insured premises.

### 14. VALUATION

At the time of loss, the basis of adjustment unless otherwise endorsed herein shall be as follows:



- A. Buildings, structures, improvements, betterments, furniture, fixtures, machinery and equipment: the cost to repair, rebuild, or replace, whichever is less, with new materials of like kind and quality, otherwise at Actual Cash Value if not repaired, replaced or rebuilt within two (2) years from date of loss.
- B. Machinery and equipment, including Electronic Data Processing equipment, control equipment, and production equipment: the cost to repair, rebuild, or replace, whichever is less. Should the property insured be unavailable because it is no longer in production, and should the property be actually replaced with other property, then the Underwriters shall be liable for the replacement cost new of equipment that will perform the same function(s) as the original equipment, including any reasonable betterment or technological advancement inherent in the design of such equipment.
- C. Property of others: at the Insured's option, replacement cost or the amount for which the Insured may be liable by law or contract or agreement, plus the Insured's interest in such property;
- D. Property sold under conditional sales arrangement: the outstanding balance plus accrued interest, if any.
- E. Valuable papers and records: the cost to repair or replace the property with other of like kind and quality including the cost of gathering and/or assembling information, research and engineering fees; or, if not so replaced or reproduced, value of blank materials.
- F. Fine arts, antiques and collectibles: in case of total loss, at the original acquisition cost, market value, or appraised value, whichever is lesser. All other losses, the amount to repair or replace the property.
- G. Electronic data processing media: the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any electronic data contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, incurred by the assured in recreating, gathering and assembling such electronic data. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media.
- H. All other property not otherwise provided: the cost to repair, rebuild or replace, whichever is less with new materials of like kind and quality, otherwise at Actual Cash Value.

Permission is granted for the Insured to replace the lost, damaged, or destroyed property with the functional equivalent of the damaged or destroyed property at the same site or at another site anywhere in the territorial scope of the policy, but recovery is limited to what it would cost to replace on the same site.

15. TIME ELEMENT COVERAGES

Except as hereinafter excluded, this policy covers;

A. Business Interruption

- (1) Loss resulting from necessary interruption of business conducted by the Insured and caused by direct physical loss, damage, or destruction by any of the perils covered herein during the term of this policy to real or personal property insured by this policy.



- (2) If such loss occurs during the term of this policy, it shall be adjusted on the basis of ACTUAL LOSS SUSTAINED by the Insured, consisting of the net profit which is thereby prevented from being earned and of all charges and expenses (including ordinary payroll), only to the extent that these must necessarily continue during the interruption of business and only to the extent to which such charges and expenses would have been earned had no loss occurred.

"Ordinary payroll" is defined to be the entire payroll expense for all employees of the Insured except officers, executives, department managers, employees under contract, and other important employees.

- (3) In the event of direct physical loss, damage, or destruction to property insured, caused by any of the perils covered herein, which results in an interruption of research and development activities which in themselves would not have produced income during the Period of Recovery, this policy shall cover the actual loss sustained of the continuing fixed charges and expenses including ordinary payroll, directly attributable to such research and development activities.

However, the Underwriters shall not be liable for any loss resulting from damage to or destruction of finished stock nor the time required to reproduce said finished stock. Finished stock shall mean stock manufactured by the insured, which in the ordinary course of the Insured's business is ready for packing, shipment, or sale.

**B. Extra Expense**

- (1) Extra expense incurred by the Insured in order to continue as nearly as practicable the normal operation of the Insured's business following direct physical loss, damage, or destruction to the insured property by any of the perils covered herein during the term of this policy.
- (2) "Extra expense" means the excess of the total cost during the period of restoration of the damaged property necessarily chargeable to the operation of the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no damage occurred.

**C. Rental Value and Rental Income**

- (1) Loss of rental value and /or loss of rental income sustained by the Insured resulting directly from the necessary untenantability caused by direct physical loss, damage, or destruction by any of the perils covered herein during the term of this policy to real or personal property insured, but not exceeding the reduction in rental value less charges and expenses which do not necessarily continue during the period of untenantability.
- (2) For the purposes of this insurance, "rental value" and "rental income" are defined as the sum of:
- (a) The total anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the Insured, and
  - (b) The amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the Insured, and
  - (c) The fair rental value of any portion of said property which is occupied by the Insured.





(3) Rental Value shall include the following:

- (a) Rental income insurance in those situations where the Insured is required under a lease or rental agreement to maintain such insurance on behalf of any landlord.
- (b) Rental expenses incurred by the Insured in excess of the expenses which would have been incurred had a leased or rented premises not been damaged or destroyed by loss or damage insured herein. Such coverage will apply for all additional expenses incurred during the period of untenability or if the lease cannot be terminated until its expiration.

D. Provisions Applicable to Business Interruption, Extra Expense and Rental Value

(1) Period of Recovery: The length of time for which loss may be claimed:

- (a) Shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair, or replace such part of the property as has been destroyed or damaged.
- (b) And, such additional length of time to restore the Insured's business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:
  - (i) The date on which the liability of the Underwriters for loss or damage would otherwise terminate; or
  - (ii) The date on which repair, replacement or rebuilding of the property that has been damaged is actually completed and the Insured has resumed normal operations.

But in no event for more than 365 Days thereafter from said later commencement date.

- (c) With respect to alterations, additions, and property while in the course of construction, erection, installation, or assembly, due consideration shall be given to the level of production or level of business operations that would reasonably have been achieved after construction and start up would have been completed had no loss or damage occurred.
  - (d) Shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this policy.
- (2) Special Exclusions: This section of the policy does not insure against any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease, license, contract, or order; nor for any increase of loss due to interference at the Insured's premises by strikers or other persons with rebuilding, repairing, or replacing the property damaged or destroyed, or with the resumption or continuation of business, or with the reoccupancy of the premises; nor for any loss occurring to property in transit off premises.
- (3) Expediting Expenses: This policy also covers such expenses as are necessarily incurred for the purpose of reducing any loss under this policy, though such expenses may exceed the amount by which the loss under this policy is thereby reduced.



- (4) Service Interruption: This policy, subject to all provisions except as provided below and without increasing the amount of said policy, also insures against loss as insured hereunder resulting from direct physical loss, damage or destruction by the perils insured against during the policy term to property of the type insured by this Policy providing electrical, steam, gas, fuel, refrigeration, sewage, water, liquid gases, heating, air conditioning, and/or telecommunications including fiber optic cable, or other services. Underwriters will not be liable if the interruption of service is caused directly or indirectly by loss or damage to overhead transmission and distribution lines located beyond 1 statute mile of the insured location.

"Period of service interruption" shall mean the period starting with the time when an interruption of specific services occurs and ending when with due diligence and dispatch the service could be wholly restored.

- (5) Interruption by Civil or Military Authority: This policy is extended to cover the loss sustained during the period of time when, as a result of direct physical loss, damage or destruction by a peril insured against, access to real or personal property insured hereunder is impaired by order or action of civil or military authority.
- (6) Ingress/Egress: This policy is extended to cover the loss sustained during the period of time, when, as a result of direct physical loss, damage or destruction by a peril insured against, ingress to or egress from real or personal property insured hereunder is impaired.
- (7) Interdependence: This policy is extended to cover a loss at any Insured Location that involves interdependency at one or more other Insured Locations. The loss, including any resulting interdependency loss, will be adjusted as one occurrence.
- (8) Resumption of Operations: If the Insured could reduce the loss resulting from the interruption of business:
- (a) By a complete or partial resumption of operation of the property insured, whether damaged or not; or
  - (b) By making use of available stock, merchandise, or other property.

Such reduction shall be taken into account in arriving at the amount of loss hereunder.

- (9) Experience of the Business:
- (a) In determining the amount of net profit, charges, rental value and expenses covered hereunder for the purposes of ascertaining the amount of loss sustained, due consideration shall be given to the experience of the business before the date of damage or destruction and to the probable experience thereafter had no loss occurred.
  - (b) With respect to alterations, additions, and property while in the course of construction, erection, installation, or assembly, due consideration shall be given to the anticipated experience of the business after completion of the construction, erection, installation, or assembly.
- (10) Idle Periods: Unless otherwise provided herein, this policy does not cover loss with respect to any period during which goods would not have been produced, or business operations or services would not have been maintained for any reason other than damage to said Property Insured from a Peril Insured herein. However, subject to the foregoing and all of the provisions of this policy, this policy insures against loss as calculated from the date that business operations would have begun had no damage or destruction occurred.



16. COVERAGE EXTENSIONS

A. Transit

- (1) This policy covers property in transit, and this policy attaches and covers shipments within and between the territorial limits of this policy, including the coastal waters thereof, by any means of conveyance, from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage, including temporary storage on any conveyance intended for use for any outbound or used for inbound shipment, including during deviation and delay, until safely delivered and accepted at place of final destination.
- (2) This insurance is extended to cover loss or damage to property:
  - (a) Sold and shipped by the Insured under terms of F. O. B. point of origin or other terms usually regarded as terminating the shipper's responsibility short of points of delivery;
  - (b) Arising out of any unauthorized person(s) representing themselves to be the proper party(ies) to receive goods for shipment or to accept goods for delivery.
  - (c) Occasioned by the acceptance by the Insured, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents.
  - (d) At the Insured's option, which is incoming to the Insured.
- (3) The Insured may waive right(s) of recovery against private, contract, and common carriers and accept bills of lading or receipts from carriers, bailees, warehousemen, or processors limiting or releasing their liability, but this transit insurance shall not inure to the benefit of any carrier, bailee, warehouseman, or processor.
- (4) With respect to shipments described under subparagraphs (2)(a) and (2)(d) above, the Underwriters agree to waive their rights of subrogation against shippers and consignees at the option of the Insured.
- (5) The Insured is not to be prejudiced by any agreements exempting lightermen from liability.
- (6) Seaworthiness of any vessel or watercraft, and airworthiness of any aircraft are admitted between the Underwriters and the Insured.

B. Accounts Receivable

This policy covers:

- (1) All sums due the Insured from customers, provided the Insured is unable to effect collection thereof as the result of physical loss or damage by the perils insured against to records of accounts receivable.
- (2) All sums due the Insured from factoring transactions, when the property of the debtor has been lost or damaged by perils insured against and the Insured has been unable to effect collection thereof.
- (3) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
- (4) Collection expense in excess of normal collection cost and made necessary because of such loss or damage.



- (5) Other expenses, when reasonably incurred by the Insured in reestablishing records of accounts receivable following such loss or damage.

For the purpose of this insurance, charges, under a credit card company and maintained on EDP media shall be deemed to represent sums due the Insured from customers, until such charge media is delivered to the credit card company.

When there is proof that a loss of records of accounts receivable has occurred but the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

- (1) The monthly average of accounts receivable during the last available twelve months shall be adjusted in accordance with the percentage increase or decrease in the twelve months average of monthly gross revenues which may have occurred in the interim.
- (2) The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

#### C. Leasehold Interest

This policy covers:

- (1) Pro rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on the Insured's interest in:
  - (a) The amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease for the unexpired term of the lease.
  - (b) Improvements and betterments to real property during the unexpired term of the lease which is not covered under any other section of this policy.
  - (c) The amount of advance rental paid by the Insured and not recoverable under the terms of the lease for the unexpired term of the lease.

When property insured hereunder is rendered wholly or partially untenable by any of the perils covered herein during the term of this policy and the lease is cancelled by the lessor in accordance with the conditions of the lease or by statutory requirements of the state in which the damaged or destroyed property is located; and

- (2) (a) "Interest of the Insured as Lessee "when property is rendered wholly or partially untenable by any of the perils covered herein during the term of this policy and the lease is cancelled by the lessor in accordance with the conditions of the lease or by statutory requirements of the state in which the damaged or destroyed property is located.



- (b) The "Interest of the Insured as Lessee" as referred to herein shall be paid for the first three months succeeding the date of the loss and the "Net Lease Interest" shall be paid for the remaining term of the unexpired lease.

(3) Definitions Applicable to Leasehold Interest:

The following terms, wherever used in this section shall mean as follows:

- (a) The "Interest of the Insured as Lessee" is defined as:
    - (i) The excess of the rental value of similar premises over the actual rental payable by the lessee (including any maintenance or operating charges paid by the lessee) during the unexpired term of the lease.
    - (ii) The rental income earned by the Insured from sublease agreements, to the extent not covered under any other section of this policy, over and above the rental expenses specified in the lease between the Insured and the lessor.
  - (b) "Net Lease Interest" is defined as that sum, which placed at 6% interest compounded annually will be equivalent to the "Interest of the Insured as Lessee".
- (4) The Underwriters shall not be liable for any increase of loss which may be occasioned by the suspension, lapse or cancellation of any license or by the Insured exercising an option to cancel the lease or from any act or omission of the Insured that constitutes a default of the lease.

D. Fire Brigade Charges and Extinguishing Expenses

This policy covers the following expenses resulting from loss or damage insured herein:

- (1) Fire brigade charges and other extinguishing expenses for which the Insured may be assessed.
- (2) Loss of fire extinguishing materials expended.

E. Demolition and Increased Cost of Construction

In the event of direct physical loss or damage insured under this policy that causes the enforcement of any law or ordinance in force at time of loss or damage regulating the construction, repair, or use of property, the Underwriters shall be liable for:

- (1) The cost of demolishing the undamaged property including the cost of clearing the site.
- (2) The value of the undamaged part of the property.
- (3) The increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site and limited to the costs that would have been incurred in order to comply with the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged property on the same site. However, the Underwriters shall not be liable for any increased cost of construction loss unless the damaged property is actually repaired or replaced.
- (4) Any increase in loss including, but not limited to, business interruption, soft costs, extra expense, rental value, leasehold interest or royalties loss or extensions thereof arising out of the additional time required to comply with said law or ordinance.



F. Expediting Expense

This policy covers the reasonable extra cost of temporary repair and of expediting the repair of damaged property insured hereunder, including overtime and express freight or other rapid means of transportation.

G. Loss Adjustment Expenses

This policy is extended to include expenses incurred by the Insured, or by the Insured's representatives for preparing and certifying details of a claim resulting from a loss which would be payable under this policy. However, the Underwriters shall not be liable under this clause for expenses incurred by the Insured in utilizing the services of a public adjuster.

H. Consequential Loss

This policy insures against:

- (1) Consequential loss to the property insured caused by or resulting from change of temperature or humidity, or by interruption of power, heat, light, air conditioning, refrigeration, telephone or telecommunications, including all connections and supply from transmission lines and pipes, power generating equipment, utility plants or sources whether or not such equipment is on or off the premises of the Insured, all resulting from damage to property insured hereunder from a peril insured against.
- (2) The reduction in value to the remaining part or parts of any lot of merchandise usually sold by lots or sizes, color ranges, or other classifications due to damage to or destruction of a part of such lots or other classifications due to a peril insured against.
- (3) Loss or damage not otherwise excluded to property, and such damage, without the intervention of any other independent excluded cause, resulting in a sequence of events which causes physical damage to insured property, in which case there shall be liability under the policy for the resulting loss.

I. Preservation of Property

In case of actual or imminent physical loss or damage of the type insured against by this policy, the expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage, if any, otherwise recoverable under the policy, without increasing the limit provisions contained in this policy.

Such expenses shall include the Time Element loss sustained by the Insured to temporarily protect or preserve insured property from actual or imminent physical loss or damage of the type insured against by this policy.

J. Debris Removal

In the event of direct physical loss or damage to property insured hereunder, this policy, subject otherwise to its terms, conditions and limitations, including but not limited to any applicable deductible, also insures, within the sum insured:

- (1) Expenses reasonably incurred in removal, clean up and/or disposal of debris of the destroyed or damaged insured property from the premises of the Insured.



(2) Cost of clean up, at the premises of the Insured, made necessary as a result of such physical loss or damage.

(3) The cost of removal and/or disposal of debris of property not insured hereunder.

It is a condition precedent to recovery under this extension that the Underwriters shall have paid or agreed to pay for physical loss or damage to the property insured hereunder unless such payment is precluded solely by the operation of any deductible and that the Insured shall give notice to the Underwriters of intent to claim for cost of removal of debris or cost of clean up no later than twelve months after the date of such physical loss or damage.

K. Defense Costs

This policy covers costs and fees to defend any claim or suit against the Insured and/or its directors, officers and/or employees alleging physical loss or damage as insured against to property of others in the care, custody or control of the Insured to the extent of the Insured's liability therefore, even if such suit is groundless, false or fraudulent; but the Underwriters may without prejudice make such investigation, negotiation or settlement of any such claim or suit as it deems expedient.

L. Pollutant Clean-up

This policy is extended to cover the necessary and reasonable expenses actually incurred by the Insured to clean-up and remove pollutants from land or water confined to insured premises if the release, discharge, dispersal, seepage, migration or escape of the pollutants is directly caused by or results from a peril insured (excluding Radioactive Contamination) which occurs during the term of this policy.

No liability shall exist under this Pollutant Cleanup and Removal provision unless the Occurrence giving rise to a claim under this policy is reported to the Company within one year of physical loss.

M. Civil and Military Authority – Property Damage

This policy covers direct physical loss or damage to insured property caused by acts of destruction at the order of any civil or military authority at the time of, or to prevent the spread of, or otherwise contain, control or minimize, loss or damage caused by a Peril Insured.

N. Service Interruption – Property Damage

In addition to service interruption time element coverages as provided under section 15-D.(4), this policy also covers direct physical loss or damage to insured property when it results from the interruption of electrical, steam, gas, fuel, refrigeration, sewage, water, liquid gases, heating, air conditioning, and/or telecommunications including fiber optic cable, or other services by reason of any covered physical loss or damage to the facilities of the supplier of such service, located within this policy's territory.

O. Decontamination

If at the time insured property is contaminated as a result of direct physical damage insured against by this policy there is in force at the time of loss any law or ordinance regulating contamination, including but not limited to the presence of pollution or hazardous material, then this policy shall cover, as a result of enforcement of such law or ordinance, the increased cost of decontamination and/or debris removal of such property in a manner to satisfy such law or ordinance.



As respects Time Element coverages, this policy is also extended to include such time as is necessary and reasonable with the exercise of due diligence and dispatch to decontaminate in a manner to satisfy such law or ordinance.

The Underwriters are not liable for the costs required for removing contaminated uninsured property nor the contaminant therein or thereon, whether or not the contamination results from an insured peril.

P. Royalties

- (1) This policy covers loss of royalties, fees and commissions which would have been earned under royalties, fees, or commissions agreements between the Insured and any concern(s), as a result of direct physical loss or damage to the property of such concern(s) caused by perils insured against occurring during the term of this policy.
- (2) Such loss shall be adjusted on the basis of actual loss sustained of such income referred to in paragraph P.(1) above, which would have been earned had no loss occurred.

Q. Mold, Mildew & Fungus

Notwithstanding any provision to the contrary within the policy or any endorsement thereto, this policy only insures physical loss or damage to insured property by mold, mildew or fungus is covered when directly caused by a peril insured by this policy. This coverage is subject to all limitations in the policy and, in addition, to each of the following specific limitations:

- (1) The property must otherwise be insured under this policy for physical loss or damage by that peril.
- (2) The insured must report to Underwriters the existence and cost of the physical loss or damage by mold, mildew or fungus as soon as practicable, but no later than twelve (12) months after the peril first caused any physical loss or damage to insured property during the policy period. This policy does not insure any physical loss or damage by mold, mildew or fungus first reported to Underwriters after that twelve month period.
- (3) Regardless of circumstances or other policy provisions, the maximum amount insured and payable under this policy for all mold, mildew or fungus caused by or resulting from such peril is USD1,000,000. for all parts of any claim and in total (the aggregate limit) for the period. This sub-limit applies to all sections or extensions of the policy combined under which any claim arises or is made.

Except as set forth above, this policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health. This exclusion applies regardless whether there is (1) any physical loss or damage to insured property; (2) any insured peril or cause, whether or not contributing concurrently or in sequence; (3) any loss of use, occupancy, or functionality; or (4) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

R. Unintentional Errors and Omissions

If physical loss or damage is not payable under this Policy solely due to an error or unintentional omission:

1. in the description of where insured property is physically located;





2. to include any Location:

- (a) owned, rented or leased by the Insured on the effective date of this Policy; or
- (b) purchased, rented or leased by the Insured during the term of this Policy; or

3. that results in cancellation of the property insured under this Policy;

this Policy covers such physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

It is a condition of this Additional Coverage that any error or unintentional omission be reported by the Insured to the Underwriters when discovered and corrected.

S. Newly Acquired Property

This Policy covers property of the type insured by this Policy at any Location rented, leased or purchased by the Insured after the inception date of this Policy. This coverage applies from the date of rental, lease or purchase.

This coverage does not apply to property insured in whole or in part by any other insurance policy.

This coverage will apply until whichever of the following occurs first:

- 1. The Location is agreed to be insured by the Underwriters.
- 2. Agreement is reached that the Location will not be insured under this Policy.
- 3. The Time Limit specified in the Schedule has been reached. The Time Limit begins on the date of rental, lease or purchase.

17. CONDITIONS

A. Contributing Insurance

Contributing insurance is insurance written upon the same terms, conditions, and provisions as those contained in this policy. This insurance shall contribute to the total of each loss otherwise payable herein to the extent of the participation of this policy in the total limit of liability available and collectible for any given loss.

B. Excess Insurance

Excess insurance is insurance over the limit of liability set forth in this policy. The existence of such excess insurance shall not prejudice the coverage provided under this policy nor will it reduce any liability hereunder.



C. Underlying Insurance

- (1) Underlying insurance is insurance on all or any part of the deductible and against all or any of the perils covered by this policy including declarations of value to the carrier for hire. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.
- (2) If the limits of such underlying insurance exceed the deductible amount which would apply in the event of loss under this policy, then that portion which exceeds such a deductible amount shall be considered "other insurance."

D. Other Insurance

Except for insurance described by the contributing insurance clause, by the excess insurance clause, or by the underlying insurance clause, this policy shall not cover to the extent of any other insurance, whether prior or subsequent hereto in date, and whether directly or indirectly covering the same property against the same perils. The Underwriters shall be liable for loss or damage only to the extent of that amount in excess of the amount recoverable from such other insurance.

E. Subrogation

- (1) Any release or waiver of liability entered into by the Insured prior to loss hereunder (including but not limited to bills of lading and/or receipts from carriers, bailees, warehousemen, lightermen, processors, which limit or release their liability) shall not affect this policy or prejudice the right of the Insured to recover hereunder.
- (2) The right of subrogation against the Insured, affiliated, subsidiary, and/or associated companies or corporations and/or officers, directors and employees, and/or any other corporations or companies associated with the Insured through ownership or management, is waived and privilege is granted to the Named Insured to enter into agreement prior to date of loss, waiving the right of recovery from others. At the option of the Insured, such right is also waived against a tenant of the insured.
- (3) In the event of any payment under this policy, the Underwriters shall be subrogated to the extent of such payment to all the Insured's rights of recovery therefore. The Insured shall execute all papers required and shall do anything that may be necessary at the expense of the Underwriters to secure such right. The Underwriters will act in concert with all other interests concerned, i. e., the Insured and any other company(ies) participating in the payment of any loss as primary or excess insurers, in the exercise of such rights of recovery.

If any amount is recovered as a result of such proceedings, the net amount recovered after deducting the costs of recovery shall be divided between the interests concerned in the proportion of their respective interests. If there should be no recovery, the expense of proceedings shall be borne proportionately by the interests instituting the proceedings.

F. Salvage and Recoveries

All salvages, recoveries, and payments, excluding proceeds from subrogation and underlying insurance recovered or received prior to a loss settlement under this policy shall reduce the loss accordingly. If recovered or received subsequent to a loss settlement under this policy, they shall be applied as if recovered or received prior to such settlement.



G. Brand or Trademark

In case of damage by a direct peril insured against to property bearing a brand or trademark or which in any way carries or implies the guarantee or the responsibility of the manufacturer or Insured, the salvage value of such damaged property shall be determined after removal at the Underwriter's expense in the customary manner of all such brands or trademarks or other identifying characteristics.

H. Machinery

In case of loss or damage by a direct peril insured against to any part of a machine or unit consisting of two or more parts when complete for use, the liability of the Underwriters shall be limited to the value of the part or parts lost or damaged or, at the Insured's option, to the cost and expense of replacing or duplicating the lost or damaged part or parts or of repairing the machine or unit.

I. Notice of Loss

As soon as practicable after any loss or damage occurring under this policy is known to the Insured's home office insurance department, the Insured shall report such loss or damage with full particulars to Engle Martin & Associates with simultaneous notice to Lockton. Failure by the Insured to report loss or damage which, at the time of its happening did not appear to exceed the deductible provision, but which at a later date would appear to give rise to a claim hereunder, shall not prejudice such claim when such notice is given.

J. Proof of Loss

A detailed proof of loss shall be filed with the Underwriters as soon as practicable. Loss shall be adjusted with the home office insurance department of the Insured or their assigned representatives.

K. Claims Adjustment

It is agreed that the Underwriters will use the following claims adjustment firm for the adjustment of all claims made against this policy. This assignment may be changed by mutual consent of the Insured and the Underwriters.

Engle Martin & Associates

L. Partial Payment of Loss

In the event of a loss covered by this policy, it is understood and agreed that the Underwriters shall allow partial payment(s) of any claim subject to the policy provisions and normal claim adjustment process.

M. Payment of Loss

All adjusted claims shall be due and payable no later than thirty days after presentation and acceptance of proofs of loss by the Underwriters or their appointed representative.



N. Arbitration

If, after negotiating in good faith, the Insured and the Underwriters fail to agree on the amount of loss or intent or interpretation of this contract, then, upon the written demand either of the Insured or of the Underwriters made within thirty days after receipt of proof of loss by the Underwriters, each shall select a competent and disinterested arbitrator and notify the other of the arbitrators selected within thirty days of such demand. The arbitrators shall then select a competent and disinterested umpire. If they should fail for fifteen days to agree upon such umpire, then upon the request of the Insured or of the Underwriters, such umpire shall be selected by a Judge of a Court of Record in the state in which the property covered is located. The arbitrators shall then appraise the loss, stating separately the value at the time of loss, the amount of loss, and/or the interpretation of this contract. If the arbitrators fail to agree within thirty days of the umpire's appointment, they shall submit their differences to the umpire. An award in writing by any two shall be filed with the Underwriters within thirty days after submission of differences to the umpire and shall determine the value at the time of loss, the amount of loss, and/or the interpretation of this contract. The Insured and the Underwriters shall each pay his or their chosen arbitrator and shall bear equally the other expenses of the appraisal and of the umpire.

O. Assistance and Cooperation of the Insured

The Insured shall cooperate with the Underwriters and, upon the Underwriters' request and expense, shall attend hearings and trials and shall assist in effecting settlements, in securing and giving evidence, in obtaining the attendance of witnesses, and in conducting suits.

P. Reinstatement

With the exception of loss subject to annual aggregate limits, no loss hereunder shall reduce the amount of this policy.

Q. Certificates of Insurance

Any certificate of insurance issued in connection with this policy shall be issued solely as a matter of convenience or information for addressee(s) or holder(s) of said certificate of insurance, except where any Mortgagees, Additional Insured(s) or Loss Payee(s) are named pursuant to the Special Provisions of said certificate of insurance. In the event any Mortgagees, Additional Insured(s) or Loss Payee(s) are so named, this policy shall be deemed to have been endorsed accordingly, subject to all other terms, conditions and exclusions stated herein.

The Underwriters hereby authorize Denver Series of Lockton Companies, LLC to issue certificates of insurance including any Mortgagee, Loss Payee and Additional Insured clauses.

R. Service of Suit Clause (U.S.A.)

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.



It is further agreed that service of process in such suit may be made upon Mendes & Mount (Attorneys), 750 Seventh Avenue, New York, N.Y. 10019-6829 and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

S. Jurisdiction

This Policy shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit Clause within this Policy.

T. Loss Payee/Mortgagee Clause

- (1) Loss Payee as hereinafter referenced in this clause also includes interest holders designated as an Additional Insured or Mortgagee. Loss or damage, if any, under this policy, shall be payable to any Loss Payee as designated herein by endorsement or certificate of insurance, as their interest may appear. Such Loss Payee may also include creditors, mortgage holders or trustees whose interest in covered property is established by such written instruments as: warehouse receipts; a contract for deed; bills of lading; financing statements; or mortgages, deeds of trust, or security agreements.
- (2) For covered property in which both the Insured and a Loss Payee have an insurable interest:
  - (a) The Underwriters will pay for any covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
  - (b) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the covered property.
  - (c) If the Underwriters deny the Insured's claim because of the Insured's acts or because the Insured has failed to comply with the terms of this policy, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
    - (i) Pays any premium due at the request of the Underwriters if the Insured has failed to do so;
    - (ii) Submits assigned, sworn proof of loss within sixty days after receiving notice from the Underwriters of the Insured's failure to do so; and
    - (iii) Has notified the Underwriters of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.
  - (d) If the Underwriters make payment to any Loss Payee for any loss or damage and deny payment to the Insured because of the Insured's acts or because the Insured has failed to comply with the terms of this policy:

- (i) The Loss Payee's rights will be transferred to the Underwriters to the extent of the amount paid by the Underwriters; and
- (ii) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At the Underwriters' option, the Underwriters may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, the Insured will pay the Insured's remaining debt to the Underwriters.

- (3) If the Underwriters cancel this policy, the Underwriters will give written notice to the Loss Payee at least:
  - (a) Ten days before the effective date of cancellation if the Underwriters cancel for the Insured's nonpayment of premium; or
  - (b) Ninety days before the effective date of cancellation if the Underwriters cancel for any other reason.
- (4) If the Underwriters elect not to renew this policy, the Underwriters will give written notice to the Loss Payee at least ninety days before the expiration date of this policy.

U. Cancellation

- (1) This policy may be canceled at any time at the request of the Insured or it may be canceled by the Underwriters by mailing via registered mail to the Insured at:

American Housing Foundation  
1800 S. Washington,  
Suite 311, Amarillo,  
TX 79102-2668

Written notice stating when, not less than ninety days thereafter, such cancellation shall be effective. The earned premium shall be computed on a pro-rata basis. It is further agreed that the Underwriters shall refund the unearned portion of the premium to the Insured within thirty days after the effective date of cancellation.

- (2) The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or by the Underwriters shall be equivalent to mailing.
- (3) Cancellation shall not affect coverage on any shipment in transit on the date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

V. Conflict of Wording

This policy can be changed only by endorsement issued by the Underwriters and made a part of this policy.

W. Titles of Paragraphs

The titles of various paragraphs of this policy are solely for convenience of reference and shall not be deemed in any way to limit or affect the provision to which they refer.

X. Currency

Property covered hereunder is insured on its value in United States Currency, premiums are payable in United States Currency and losses, if any, are to be payable in United States Currency.



Y. Conformance

Any terms of this policy which are in conflict with the applicable statutes of the jurisdiction wherein this policy is issued are hereby amended to conform to such statutes, unless the statutes narrow or limit the coverage afforded by this policy and do not bar a policy from providing broader coverage.

Z. Inspection

The Underwriters shall be permitted, but not obligated, to inspect the Insured's property at any reasonable time. Neither the Underwriters' right to make inspections, nor the making thereof, nor any report thereon, shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe or healthful.

AA. Coinsurance Waiver

This policy is not subject to any Coinsurance or Average Clause

18. DEFINITIONS

The following terms wherever used in this policy shall be defined as follows:

- A. "Earthquake" – Quaking, vibratory or undulating movement of a portion of the earth's crust, produced by underground volcanic forces and/or by breaking and shifting of rock beneath the earth's crust. It is agreed that, wherever used in this policy, terms referring to loss caused by or resulting from earthquake shall be restricted exclusively to the actual and specific cracking, rupturing, shifting, or toppling of property and shall not include ensuing loss or damage caused by Named Perils, if any, resulting from other perils or causes of loss insured. Such ensuing loss or damage shall be construed to have been of the same occurrence, but of a different proximate cause.
- B. "Computer Virus" – means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. This includes, but is not limited to, Trojan Horses, worms, and time or logic bombs.
- C. "Electronic Data" – means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
- D. "Flood" – Rising waters; surface waters; waves; tide or tidal water, the release of water; the rising, overflowing or breaking of boundaries of natural or man-made bodies of water, or the spray there from regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, ensuing loss or damage, if any, resulting from other perils or causes of loss insured which result from flood will not be considered loss by flood within the terms and conditions of this policy if they are covered by Named Perils. "Flood" also means mudslide, and mudflow caused by accumulation of water on or under the ground.
- E. "Fine Arts" – Includes, but not limited to, bona fide works of art, works of rarity, works of historical value, works of artistic merit, photographs (positives and negatives), lithographs, illustrations, gallery proofs, original records, and similar property.
- F. "Occurrence" – Loss, or a series of losses or several losses, which are attributable directly or indirectly to one cause or disaster or to one series of similar causes or disasters arising from a single event. All such losses shall be added together and the total amount of such losses shall be treated as one occurrence irrespective of the period of time or area over which such losses occur.



- (1) When the term applies to Earthquake, it shall be defined as the sum total of all the Insured's losses sustained during any period of 168 consecutive hours by reason of one earthquake or a series of earthquakes. The Insured may elect the moment from which the 168 hour period shall be deemed to have commenced, provided that no elected 168 hour period shall commence within the period of any previous occurrence.
- (2) When the term applies to Flood, it shall be defined as the sum total of all the Insured's losses sustained during any period of 72 consecutive hours by reason of one flood or a series of floods. The Insured may elect the moment from which the 72 hour period shall be deemed to have commenced, provided that no elected 72 hour period shall commence within the period of any previous occurrence.
- (3) When the term applies to Windstorms, it shall be defined as the sum total of all losses arising out of or caused by the same atmospheric disturbance during any period of 72 consecutive hours. The Insured may elect the moment from which the 72 hour period shall be deemed to have commenced, provided that no elected 72 hour period shall commence within the period of any previous occurrence. However, it is further agreed that any loss from windstorm and resulting loss or damage as respects any storm cell (i.e. named windstorm) that is declared by the National Weather Service and/or National Hurricane Center or similar authorized entity, shall be considered as a single occurrence regardless of the duration of a named storm cell.
- (4) When the term applies to theft, vandalism, malicious mischief, or riot, the sum total of all losses of property and/or interests insured herein resulting from one or more fraudulent or dishonest acts committed by a person or persons acting alone or in collusion with others shall constitute one occurrence. This policy does not insure any loss Occurrence, occurring before the effective date and time of this policy.

Should this policy expire while a loss Occurrence covered hereunder is in progress, subject to the other conditions of this policy, the Underwriters shall be responsible for the entire loss or damage arising from such loss Occurrence. This policy does not insure any loss occurring before the effective date and time of this policy.

- G. "Valuable papers and records" – Written, printed, or otherwise inscribed documents and records, including but not limited to books, maps, films, drawings, securities, abstracts, evidences of debt, deeds, mortgages, mortgage files, micro or electronically or magnetically inscribed documents, manuscripts, and media (including data inscribed thereon) but not including money and/or securities.

The term "securities" as used in this definition shall mean all nonnegotiable instruments or contracts representing either money or other property, and includes revenue and other stamps in current use, tokens, and tickets but does not include money.

The term "media" as used in this definition shall mean materials upon which data is recorded, including, but not limited to, paper tapes, cards, electronic memory circuits, and magnetic or optical storage devices.

The term "data" as used in this definition shall mean facts, concepts, or instructions in a form usable for communications, interpretation, or processing by automatic means, including computer programs.

- H. Named Windstorm Definition – A storm or weather disturbance that is named by the National Weather Service or other recognized authority at the time of loss.
- I. "Tier 1" Counties are defined as:

Alabama	Baldwin, Mobile;
Florida:	Entire State of Florida
Georgia:	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh





Hawaii	Entire State
Louisiana:	Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Mary, St. Bernard, St. Tammany, Terrebonne, Vermilion
Mississippi	Hancock, Harrison, Jackson
North Carolina	Beaufort, Bertie, Brunswick, Camden, Carteret, Craven, Currituck Dare, Hyde, New Hanover, Onslow, Pamlico, Pasquotauk, Pender
South Carolina	Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper
Texas:	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricia, Victoria, Willacy

- J. "Special Flood Hazard Area" or "SFHA" – areas of 100-year flooding as defined by the Federal Emergency Management Agency (FEMA).
- K. "Named Perils" – Direct Physical loss or damage caused by or resulting from fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, wind or hail, malicious mischief, leakage or accidental discharge from automatic fire protection systems, and collapse.

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Authorized Signature



**Endorsement No. 001**

**U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED  
NOT PURCHASED CLAUSE**

**This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.**

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002" as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

22/12/05

LMA5092

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**Endorsement No. 002**

**WAR AND TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01  
NMA2918



All Other Terms, Clauses and Conditions Remain Unaltered

**Endorsement No. 003**

**ELECTRONIC DATE RECOGNITION EXCLUSION (EDRE)**

This Policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- (a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not; or
- (b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

17/12/97  
NMA2802



All Other Terms, Clauses and Conditions Remain Unaltered

**Endorsement No. 004**

**THIRD PARTY DEDUCTIBLE REQUIREMENTS**

1. In cases where the Named Insured is required by a written contract with a third party to have in effect property insurance subject to a lesser deductible than the applicable deductible as set forth in the Policy, upon the request of Named Insured, Underwriters will permit the Named Insured's representative, i.e., the Broker that placed this Policy with Underwriters on behalf of the Named Insured (the "Broker") to issue a Certificate of Insurance ("Certificate") confirming the issuance of the Policy and reflecting the deductible amount required by the written contract if lesser than the Policy Deductible, but in no event shall the deductible shown on the Certificate be lesser than USD10,000.
2. The Named Insured, for itself and all the other parties that are under the policy, agrees that Underwriters undertaking set forth in Paragraph 1, above, is not an amendment to the Policy and, in no way changes the obligations of the parties to the Policy in any regard, including as respects the Policy Deductible(s). Accordingly, the Named Insured, regardless of the content of any Certificate, for itself and all other parties insured by the Policy, agrees that it will be responsible in the first instance to absorb or to pay (as the case may be) any and all loss amounts falling below the Deductible(s) and will save Underwriters harmless from ever having to advance to the Named Insured or any person or entity any amounts whatsoever which are below the applicable Policy Deductible(s).
3. Further, in the event Underwriters ever required to make payment(s) to third parties for loss amounts beneath the applicable Policy Deductible(s), the Named Insured, for itself and all other parties insured by the Policy, agrees to forthwith indemnify Underwriters for such payments and all costs Underwriters incur attendant thereto.



All other Terms, Clauses and Conditions Remain Unaltered.

**Endorsement No. 005**

**ASBESTOS ENDORSEMENT**

- A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
  - (i) any faults in the design, manufacture or installation of the asbestos;
  - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

- B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

14/09/2005

LMA5019

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**Endorsement No. 006**

**BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION**

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

06/02/03  
NMA2962



**Endorsement No. 007**

**PPC4 (TOR) 4/86**

It is a condition of this contract of insurance that the premium due at inception must be paid to and received by insurers on or before midnight on 12<sup>th</sup> November 2008.

If this condition is not complied with then this contract of insurance shall terminate on the above date with the insured hereby agreeing to pay premium calculated at not less than pro-rata temporis





**Endorsement No. 008**

**Quarterly Premium Adjustment:**

The Insured will report a summary of (100%) Total Insured Values for all the newly acquired or deleted locations within fourteen days of every quarter (dates as follows) or cancellation of this policy to Underwriters:

These statement(s) of values are due on the date(s) shown below:

<u>Values as of</u>	<u>Due Date</u>
29 <sup>th</sup> December 2008	13 <sup>th</sup> January 2009
29 <sup>th</sup> March 2009	13 <sup>th</sup> April 2009
29 <sup>th</sup> June 2009	14 <sup>th</sup> July 2009
29 <sup>th</sup> September 2009	13 <sup>th</sup> October 2009



**Endorsement No. 009**

**FRAUDULENT CLAIM CLAUSE**

If the (re)insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this contract shall become void and all claim hereunder shall be forfeited.

**LMA5062**

**04/06/2006**

Form approved by Lloyd's Market Association



Endorsement No. 010

TEXAS COMPLAINTS NOTICE

IMPORTANT NOTICE	AVISO IMPORTANTE
To obtain information or make a complaint: You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at: <b>1-800-252-3439</b> You may write to the Texas Department of Insurance:	Para obtener informacion o para someter una queja: Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al: <b>1-800-252-3439</b> Puede escribir al Departamento de Seguros de Texas:
P. O. Box 149104	P. O. Box 149104
Austin, TX 78714-9104	Austin, TX 78714-9104
Fax: (512) 475-1771	Fax: (512) 475-1771
Web: <a href="http://www.tdi.state.tx.us">http://www.tdi.state.tx.us</a>	Web: <a href="http://www.tdi.state.tx.us">http://www.tdi.state.tx.us</a>
E-mail: <a href="mailto:ConsumerProtection@tdi.state.tx.us">ConsumerProtection@tdi.state.tx.us</a>	E-mail: <a href="mailto:ConsumerProtection@tdi.state.tx.us">ConsumerProtection@tdi.state.tx.us</a>
<b>PREMIUM OR CLAIM DISPUTES:</b>  Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance. <b>ATTACH THIS NOTICE TO YOUR POLICY:</b> This notice is for information only and does not become a part or condition of the attached document.	<b>DISPUTAS SOBRE PRIMAS O RECLAMOS:</b> Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).  <b>UNA ESTE AVISO A SU POLIZA:</b> Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

07/07  
LSW1022A



## EXHIBIT F

**American Housing Foundation**  
**Rights to Payments**

		<u>Totals</u>	<u>Totals</u>
	<b>Accounts Receivable-Related Party</b>		
12192-09	A/R Amarillo Gardens	144,276.53	
12192-11	A/R Astoria Park	322,150.13	
12192-18	A/R Fairway Village	332,852.38	
12192-20	A/R Green Acres	468,931.95	
12192-24	A/R Hurst Manor	1,122,443.50	
12192-25	A/R Lakewood Terrace	414,560.57	
12192-27	A/R Meridian	394,316.96	
12192-32	A/R Rosemeade	259,643.06	
12192-33	A/R Santa Maria Village	243,512.00	
12192-34	A/R Sea Greens	175,405.98	
12192-36	A/R Southgate Village	709,993.01	
	A/R AIMCO Properties Surplus Cash	150,095.00	
	A/R AIMCO Properties Entity Cash	97,983.00	
			<b>4,836,164.07</b>
	<b>Notes Receivable</b>		
12182-04	Developer Fee Astoria Park	687,536.00	
12182-18	Developer Fee Park Central	817,080.00	
12182-20	Developer Fee Glenwood	829,475.99	
12182-22	Developer Fee Green Acres	540,201.00	
12182-24	Developer Fee Greentree	439,550.60	
12182-42	Developer Fee Rosemeade	228,479.10	
12182-48	Developer Fee Shadow Hills	109,481.61	
12182-50	Developer Fee Southgate	489,772.00	
12184-06	N/R Astoria Park	850,000.00	
12184-15	N/R Sea Greens	549,131.00	
	<b>Notes Receivable</b>		<b>5,540,707.30</b>
	<b>Life Insurance Proceeds (Anticipated)</b>		24,000,000.00
	<b>Total Assets</b>		<b>34,376,871.37</b>